



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-90-026
Wednesday
7 February 1990**

Daily Report

East Asia

FBIS-EAS-90-026

CONTENTS

7 February 1990

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Kaifu Appeals for Return of Northern Territories [KYODO]	1
USSR To Allow Visits to Etorofu Graves [KYODO]	1
Ishihara: Etorofu Sign of Improving USSR Ties [KYODO]	1
Northern Territories Day Observed Nationwide [KYODO]	2
BOJ Conducts Hearings on U.S. Bonds Purchases [KYODO]	2
Mieno, Corrigan Discuss Investments in U.S. [KYODO]	2
Further on Meeting [KYODO]	3
Central Bank Warns of Potential for Inflation [KYODO]	3
Current Account Surplus Declines Sharply in 1989 [KYODO]	3
Kaifu Welcomes Narrowed Trade Surplus [KYODO]	4
Central Bank Governor Leaves for U.S. [KYODO]	4
FTC To Prosecute Monopoly Law Violators [KYODO]	4
Ambassador to U.S. Urges Trade Barrier Removal [KYODO]	5
Senior LDP Officials Endorse Rice Import Law [KYODO]	5
Officials To Visit Cambodia on Peace Mission [KYODO]	5
Soviet Oil Output Drop Seen Raising Prices [KYODO]	6
Reportage on Lower House Election Campaign	7
Parties Issue Election Statements [KYODO]	7
Opposition Opens Campaign [KYODO]	7
Kaifu Defines Choices [KYODO]	8
Scandal-Tainted Candidates Campaign [KYODO]	8
LDP Officials on Nakasone [KYODO]	9
Kaifu: System Choice Settled [KYODO]	9
Kaifu Pledges Political Reform [KYODO]	9
Hatano Appointed Ambassador to United Nations [KYODO]	9
Team To Monitor Mideast Peacekeeping Efforts [KYODO]	10
Task Force To Study Oil Tanker Spills [KYODO]	10
ROK Fishing Boat Arrested Off Western Honshu [KYODO]	10
Correction to Televised Election Debate: One	10

Mongolia

Plans To Set Up Patriotic Unity Front Declared [MONTSAME]	11
Prime Minister Dumaagiyn To Visit Japan [MONTSAME]	11
Batmonh Congratulates New Polish Party Leaders [MONTSAME]	11
Mongolian Leader Pays Visit to Coal Mine [MONTSAME]	11
Newspaper Publishes Criminal Statistics for 1989 [MONTSAME]	11

North Korea

Reportage on Ninth North-South Sports Talks	12
Outline of Talks [KCNA]	12
North Side Demands Stated [Pyongyang Radio]	12
No 'Clique' Denounced for 'Heavy' Yim Sentence [KCNA]	15
Seoul Trial of Im Chong-sok Criticized [KCNA]	15
Military Exercises by South, U.S. Criticized [KCNA]	15
U.S. Military Policy in South Decried [KCNA]	16

Paper Comments on U.S. Military Budget [KCNA]	16
Southern Paper Cited on Gregg's 'Manipulating' [KCNA]	17
USSR Technology Cooperation Anniversary Marked [KCNA]	17
Japanese 'Critic' Denounces 'Team Spirit' [KCNA]	17
Film Show Marks Vietnam Anniversary [KCNA]	17
Choe Tae-pok Attends 'Three-Revolution' Meeting [KCNA]	18
Symposium on Chongsanri Spirit, Method Held [KCNA]	18
Chongsan-ri Spirit 'Superior Method of Work' [KCNA]	18
'Beautiful Birds' Flock to Mt. Paektu Camp [KCNA]	19
Construction at Vinalon Complex Progressing [KCNA]	19
Ore Output Increased by 80 Percent at Complex [KCNA]	20
Agricultural Production Yield Increased in 1989 [KCNA]	20
Rural Villages Prepare for Farming [KCNA]	20
* Editorial Urges Youth To Champion Collectivism [NODONG CHONGNYON 11 Nov]	21
* S&T Cooperation, Ventures With USSR Continue [NAEWOE TONGSIN No. 664, 3 Nov]	23

South Korea

North-South Sports Talks End Without Success [Seoul Radio]	24
YONHAP on Talks	25
ROK To Invite North to Cultural Event [YONHAP]	25
Rice Production Held Stable To Help North [THE KOREA TIMES 6 Feb]	26
Report on Defection of Couple to North Monitored [THE KOREA TIMES 6 Feb]	26
Academic Exchanges With North Government [YONHAP]	26
YONHAP Highlights Ambassador Gregg's Remarks	26
President No Tae-u Postpones Visit to Japan [YONHAP]	27
Japan Seeking To Improve DPRK Relations [Seoul Radio]	27
15 Pyongyang-Nagoya Flights Planned This Year [Seoul Radio]	27
Foreign Minister on Seeking Ties With PRC [THE KOREA TIMES 6 Feb]	28
YONHAP Signs Agreement With Poland's PAP [YONHAP]	28
Samsung To Sell to East-Bloc Governments [YONHAP]	29
Lotte Group To Establish Enterprises in USSR [HANGUK ILBO 6 Feb]	29
El Salvador Envoy to Seoul Announced [THE KOREA HERALD 4 Feb]	29
Students Sentenced for Firebombing U.S. Base [THE KOREA TIMES 4 Feb]	29
Country To Be Represented at '91 Telecom Exhibit [THE KOREA TIMES 3 Feb]	30
Construction Contract Signed With Libya [YONHAP]	30
Shipping Firms Profit Debate Delays Soviet Line [THE KOREA HERALD 4 Feb]	30
Further Reportage on Political Restructuring	31
New Party Unveils Platform [YONHAP]	31
Projected 'DLP' Officials [YONHAP]	31
PPD Wants Assembly Extended [THE KOREA TIMES 7 Feb]	31
'DLP' Discord Viewed [THE KOREA TIMES 7 Feb]	32
Lawmakers To Join Opposition [THE KOREA HERALD 7 Feb]	33
Forming Opposition 'Difficult' [THE KOREA HERALD 7 Feb]	33
Alliance Against New Party Urged [HANGYORE SINMUN 29 Jan]	34
President Urges 'Koreanization' of Defense [YONHAP]	36
Chief of Staff Calls for Army 'Self-Reflection' [CHOSON ILBO 4 Feb]	37
Military Urged To Examine Past, Plan Reform [CHOSON ILBO, etc.]	37
Diplomatic Reshuffle Affects 10 Postings [YONHAP]	38
Government 'Serious' About Low Pay Increases [YONHAP]	38
Fund Set Up To Support Imports, Investments [YONHAP]	39
Government, Business Formulate Export Strategies [THE KOREA TIMES 4 Feb]	39
Trade Group on Need for Export-Boosting Measures [THE KOREA TIMES 4 Feb]	39
Goal of Small Lots Exports 10 Billion Dollars [YONHAP]	40
Minister Cho Sun on Exports, Trade Deficit [YONHAP]	40
New Tax Affairs Finance Minister Named [YONHAP]	40
Orchestration of Human Resources Urged [THE KOREA HERALD 4 Feb]	40
* Role of IPECK Criticized, Evaluated [CHUGAN MAEKYONG 2 Nov]	41

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Talks With SRV on Refugees, Trade To Resume	[AFP]	45
Jaafar on SRV's Thach's Visit, Cambodian Issue	[Kuala Lumpur TV]	45

Singapore

Lee, SRV Minister Discuss Ties, Cambodia	[THE STRAITS TIMES 6 Feb]	45
Goh Chok Tong: Detente Could Bring New Tension	[AFP]	46

Cambodia

Correspondent Hails 11-Year Soviet Assistance	[Phnom Penh Radio]	46
Paper Calls for Party Building Efforts in Army	[Phnom Penh Radio]	47
Battle Activities for Week Ending 26 Jan Listed	[SPK]	48
Battle Activities in Various Military Regions	[Phnom Penh Radio]	48
Recent Battle Activities Reported 30 Jan-3 Feb	[Phnom Penh Radio]	49
Sihanouk's Comments on Khmer Rouge Reported	[Radio VODK]	49
VOK on Sihanouk Visiting Thailand, Singapore		50
Official Comments on UN Role, Sihanouk Actions	[AFP]	50
Australian Team Meets With Phnom Penh Official	[Radio VOK]	51
Hun Sen Reportedly Wants To Resign as Premier	[Radio VODK]	51

Laos

Thailand Informed About Rebel Suppression Plan	[Bangkok NAEON 7 Feb]	51
Party Central Committee Greets CPV Founding	[KPL]	51
Lao, Vietnamese Cooperation Committees Meet	[KPL]	52

Philippines

Rebels Warn National, U.S. Governments		52
Threaten To Execute Officials	[AFP]	52
Caution U.S. Against Meddling	[Baguio City Radio]	53
Claim U.S. Behind Polls Plan	[MALAYA 7 Feb]	53
Aquino Assured of U.S. Compliance to Commitments	[Manila Radio]	53
Editorial Assails Reaction to U.S. Aid Cut	[PHILIPPINE DAILY GLOBE 5 Feb]	54
Accord Accused of Violating Chemical Weapons Ban	[PHILIPPINES NEWSDAY 7 Feb]	54
Official Protests U.S. Vote Abstention	[Quezon City Radio]	55
Enrile Moves for Dismissal of Rebellion Charge	[Baguio City Radio]	56
Air Force Chief Denies Firearms Missing	[Quezon City Radio]	56
De Villa Orders Withholding of Detainees' Passes	[Quezon City Radio]	56
Government Reports Greater Casualties in Coup	[PHILIPPINE DAILY INQUIRER 2 Feb]	56
More on Manglapus' Claim on Communist Aid	[PHILIPPINES NEWSDAY 7 Feb]	57
Ramos Urges Reactivation of 'Territorial Forces'	[Quezon City Radio-TV]	57
38,000 Displaced by Cotabato Violence	[PHILIPPINE DAILY INQUIRER 5 Feb]	58
Salonga Urges Country To Solve Problems	[Manila Radio]	58
Speaker Mitra Announces New House Reforms	[Quezon City Radio]	58
Aquino Cites Role of Cooperatives in Speech	[Quezon City Radio]	59
Group Claims Responsibility for Korean's Murder	[PHILIPPINE DAILY INQUIRER 3 Feb]	60
IMF Policy To Raise Domestic Taxes in 1990	[THE MANILA CHRONICLE 5 Feb]	60
1989 Domestic Liquidity Expands 28.9 Percent	[BUSINESS STAR 1 Feb]	62
Report Breaks Down Foreign Equity Investments	[BUSINESS WORLD 2 Feb]	63
Deployment of Overseas Workers Dips 2.63 Percent	[BUSINESS STAR 2 Feb]	64

Thailand

Soviet Prime Minister To Arrive on Sunday [BANGKOK POST 7 Feb]	64
Premier Proceeds With Cabinet Reform Plan [THE NATION 5 Feb]	65
Premier Selects Aide Anan as Interior Secretary [THE NATION 7 Feb]	66
Developments Continue in Saudi Incident Reaction	67
Praphat Postpones Riyadh Trip [THE NATION 7 Feb]	67
Sitthi Requests Special Force [THE NATION 7 Feb]	68
Editorials Criticize Decision [SIAM RAT, etc.]	68
Report, Editorials Cover Port Union Strike	69
Government To Maintain Stand [THE NATION 5 Feb]	69
Editorial Questions Strike [THE NATION 3 Feb]	69
Editorials Speak Against Strike [THAI RAT, etc.]	70

Vietnam

Secretary Said To Criticize Multiparty Advocates [Tokyo TV]	70
Foreign Ministry Spokesman on Soviet Changes [Tokyo KYODO]	71
Supreme Soviet Delegation To Make Visit [VNA]	71
SRV Welcomes Visit by Japanese Diplomat [Tokyo KYODO]	71
Leaders Hold Gathering With Retired Cadres [Hanoi Radio]	71
Editorial Marks Party's Coming Eighth Plenum [VNA]	73
General Police Department Reviews Tasks in 1989 [Hanoi Radio]	74
BBC Correspondent's Report on Tet in Hanoi [Hanoi International]	74
Comparison of Nguyen Van Linh Anniversary Speech	74

AUSTRALASIA

Papua New Guinea

Correspondent Reports on Situation in Bougainville [Melbourne International]	76
Bougainville Flights Stop; Australians Stranded [Melbourne Radio]	76

Japan

Kaifu Appeals for Return of Northern Territories

OW0702081590 Tokyo KYODO in English 0728 GMT
7 Feb 90

[Text] Tokyo, Feb. 7 KYODO—Prime Minister Toshiki Kaifu made a fresh appeal for the return of four Soviet-occupied islands off Hokkaido Wednesday at a government-sponsored rally commemorating "Northern Territories Day."

Citing democratic changes he saw sweeping Eastern Europe during a January tour, Kaifu said Japan and the Soviet Union should solve the "northern territories problem" and build new ties with each other in the spirit of improved East-West relations.

The prime minister, speaking to 1,300 members of the "Return the Northern Territories" movement at Kudan Kaikan Hall in central Tokyo, called the islands "our nation's inherent territory" and termed "regrettable" their 45-year occupation by the Soviets.

The disputed islands—Etorofu, Kunashiri, Shikotan, and the Habomai group—have been held by the Soviets since the end of World War II. The controversy has prevented the two nations from concluding a peace treaty.

In January, Soviet President Mikhail Gorbachev recognized Japan's "inherent right" to claim the islands in a meeting with former Foreign Minister Shintaro Abe in Moscow, and some Soviet political analysts in Tokyo say they see a softening in Moscow's attitude toward the territorial dispute.

Gorbachev, who is scheduled to visit Japan next year, had earlier refused to discuss the issue, calling it a "problem that shouldn't be brought up." Further optimism among Japanese officials was aroused Monday by Abe's announcement that the Soviet Union is ready to allow Japanese to visit their relatives' graves on Etorofu this summer.

At Tuesday's rally, however, Foreign Minister Taro Nakayama said he has not seen any "fundamental change" in Moscow's stance, despite the ongoing talks over the islands. Nakayama vowed to continue his efforts to accommodate the return of the islands.

Established in 1981, "Northern Territories Day" is marked by national rallies and discussions urging the return of the islands off the eastern tip of Hokkaido. The choice of February 7 commemorates the signing in 1855 of the Russo-Japanese Treaty of Amity, in which Russia claimed the Kuril Archipelago and recognized Japan's claim on Etorofu and the islands to the south.

USSR To Allow Visits to Etorofu Graves

OW0602121490 Tokyo KYODO in English 1034 GMT
6 Feb 90

[Text] Hiroshima, Feb. 6 KYODO—The Soviet Union has agreed to allow Japanese to visit their relatives' grave on Etorofu Island, one of four islands held by the Soviet Union since the end of World War II, former Foreign Minister Shintaro Abe said Tuesday. Abe, who was here on a stumping tour for the February 18 House of Representatives election, told reporters that Soviet Ambassador to Japan Nikolay Solov'yev informed him by telephone last Saturday that Soviet leaders will allow Japanese people to visit their graves on the island.

Visits to the island by Japanese were included in an eight-point proposal made by Abe to Soviet leader Mikhail Gorbachev when he visited Moscow in January. It was the first fruit of Abe's proposals, which call for expansion of economic and cultural exchanges between the two countries. Abe said the Soviet's response was very quick and showed their willingness to improve relations with Japan. The visit to Etorofu is expected to come this summer.

Japan is demanding that the Soviet Union return Etorofu, Kunashiri, Shikotan, and the Habomai Group of islands. Etorofu Island is the largest among the four and houses an air force base. Graves for some 1,400 Japanese are on Etorofu. Grave visits to the four islands by Japanese began in 1964 but was interrupted in 1976 because the Soviet Union insisted on issuing visas for Japanese visitors to the islands. Japan rejected the Soviet Union's offer, saying that the islands are Japanese territory.

The Soviets accepted grave visits to the four islands by Japanese only through presentation of identification cards. The Soviet Union allowed memorial visits by Japanese to Habomai and Shikotan in 1986 and to Kunashiri in 1989.

Ishihara: Etorofu Sign of Improving USSR Ties

OW0702054290 Tokyo KYODO in English 0406 GMT
7 Feb 90

[Text] Tokyo, Feb. 7 KYODO—The Soviet Union's offer to allow Japanese to travel to Etorofu Island, one of the Soviet-held islands off Hokkaido claimed by Japan, is a sign that Moscow hopes to improve bilateral relations, the Japanese Government said Wednesday.

"This is one expression of the Soviet Union's intention to improve relations with Japan, and should be welcomed," government spokesman Nobuo Ishihara told a regularly scheduled news conference.

Etorofu is the largest of four Japanese islands occupied by the Soviet Union since the end of World War II, and is also the site of a Soviet Air Force base, according to Japanese Government officials.

Soviet Ambassador Nikolay Solovyev told former Foreign Minister Shintaro Abe by telephone last Saturday that relatives of deceased Japanese residents of Etorofu Island would be allowed to make visits to their relatives graves. Abe requested permission to resume the visits when he met with Soviet President Mikhail Gorbachev last month as special envoy of the ruling Liberal Democratic Party. The proposal was part of an eight-point package aimed at expanding economic and cultural exchanges between the two countries.

Ishihara said that Abe's office had informed the Foreign Ministry of the Soviet ambassador's phone call, but that there had been no direct contact between the two governments on the matter.

Japanese were permitted to visit the northern island, where there are some 1,400 Japanese graves, between 1964-1976. But the excursions were discontinued after Japan rejected a Soviet plan to start issuing visas for such visits, on the grounds that this would imply Japan's recognition of the islands as Soviet territory.

Northern Territories Day Observed Nationwide

OW0702114790 Tokyo KYODO in English 0843 GMT 7 Feb 90

[Text] Tokyo, Feb. 7 KYODO—A government-sponsored rally and a warming trend in Japan-Soviet Union relations marked the 10th observance of "Northern Territories Day" Wednesday.

As rallies and meetings were held nationwide to demand the return of the four Soviet-held islands off the eastern tip of Hokkaido, Prime Minister Toshiki Kaifu made a fresh appeal to Moscow for a solution to the "territories problem" and new ties between the two nations.[passage omitted]

Optimism among Japanese officials was encouraged by word from Soviet Ambassador to Japan Nikolay Solovyev to Abe last week that Moscow will allow Japanese to visit family grave sites on Etorofu, the largest of the four islands, this summer."[passage omitted]

Meanwhile, in Sapporo, organizers of a petition demanding the return of the islands announced Wednesday that they had reached 50 million signatures. The Liaison Council to Promote the Drive for the Return of the Northern Territories, which has been collecting signatures since 1965, annually presents the petition to the Diet as an expression of public support for the return of the territories.[passage omitted]

BOJ Conducts Hearings on U.S. Bonds Purchases

OW0502144890 Tokyo KYODO in English 1031 GMT 5 Feb 90

[Text] Tokyo, Feb. 5 KYODO—The Bank of Japan [BOJ] has conducted hearings with life insurance firms and other institutional investors to find out how they

will bid for U.S. treasury securities to be auctioned this week, institution officials said Monday.

The officials said the central bank action was seen as a kind of indirect instruction that the Japanese bid actively in the coming quarterly auctions starting Tuesday. "It reflects how the Bank of Japan is concerned about the outcome of the auctions. It's a virtual request for us to purchase the U.S. bonds actively," an official at one life insurance firm said, on condition of anonymity.

The hearings came amid lingering fears in the United States that the Japanese would shy away from the auctions because of a narrowing gap between Japanese and U.S. interest rates, which has made U.S. bonds less attractive to Japanese investors.

U.S. Federal Reserve Board Chairman Alan Greenspan, in testimony before Congress last Tuesday, expressed concern about a shift of Japanese funds from U.S. to Japanese securities.

The U.S. Treasury is scheduled to auction a total of 30 billion dollars of U.S. debt this week—10 billion dollars each in three-year notes Tuesday, in 10-year notes Wednesday, and in 30-year bonds Thursday.

A senior Bank of Japan official, commenting on the hearings, said they were carried out within the prescriptions of usual surveys. But officials at some major life insurance companies and others called the latest hearings "unusual" as BOJ researchers directly visited funds managers in charge of investment in U.S. bonds.

"It's a suggestion that we buy such bonds as usual," said an official at another major life insurance company, who asked not to be named. Japanese life insurance firms and other institutional investors have taken up roughly 20 to 30 percent of U.S. treasury securities in auctions so far, playing a key role in the U.S. primary market. A Bank of Japan source, speaking on condition of anonymity, said the Japanese would purchase some 30 percent of the 30 billion dollars of U.S. securities in this week's auctions, a prediction apparently based on the hearings.

Some speculated that Bank of Japan Governor Yasushi Mieno will explain the Japanese attitude toward investing in U.S. securities when he meets Greenspan in Washington. Mieno will leave for Washington on Wednesday for a five-day visit to exchange views with top U.S. monetary officials.

Mieno, Corrigan Discuss Investments in U.S.

OW0302071990 Tokyo KYODO in English 0359 GMT 3 Feb 90

[Text] Tokyo, Feb. 3 KYODO—The head of the Federal Reserve Bank [Fed] of New York, Gerald Corrigan, told Bank of Japan [BOJ] Governor Yasushi Mieno Friday that there is no problem in the presence of financially-strong and competitive Japanese banks in the U.S. banking business, international financial sources said Saturday.

Corrigan's remarks indicate the Fed does not share congressional concern about Japan's hefty presence in the U.S. financial market, which was implied in a bill introduced last month aimed at restricting foreign access to the U.S. market, the sources said.

The chairman of the U.S. Senate's Banking Committee, Donald Riegle, introduced the legislation last month to give the government the power to restrict access to U.S. markets by foreign banks and securities firms whose home countries discriminate against American companies.

The talks between Corrigan and Mieno reportedly concentrated on the Riegle bill, which could provide the U.S. with another weapon against Japan on trade issues, the sources said.

Corrigan's words indicate the Fed's stance on the matter is different from that of Congress partly because Japan and its financial institutions play a key role in financing the huge U.S. Government deficits, they said. In reference to the criticism of the Japanese financial market being closed, Corrigan said the Fed will investigate whether a falling share of U.S. banks in the Japanese market is due to the nature of the market or to American bank management, the sources said.

Mieno promised the BOJ's full cooperation in the probe, they said.

Further on Meeting

OW0202151790 Tokyo KYODO in English 0852 GMT
2 Feb 90

[Text] Tokyo, Feb. 2 KYODO—The head of the Federal Reserve Bank [Fed] of New York paid a call Friday on Bank of Japan (BOJ) Governor Yasushi Mieno to exchange views on monetary policy in Japan and the U.S. and on the foreign exchange markets, informed sources said.

The New York Fed chief, E. Gerald Corrigan, talked to Mieno about U.S. monetary policy amid the nation's economic slowdown, the sources said. Mieno, for his part, detailed the background of a series of official discount rate hikes by the BOJ last year, they said.

The central bank raised its key lending rate three times last year to curb inflation.

The sources said Mieno also expressed his views on the recent trend of the yen-dollar exchange rate, where the U.S. currency has shown unabated strength despite repeated dollar-selling intervention by the BOJ.

Corrigan met senior Finance Ministry officials and leaders of private financial institutions earlier in the day, according to the sources.

Central Bank Warns of Potential for Inflation

OW0502143490 Tokyo KYODO in English 1227 GMT
5 Feb 90

[Text] Tokyo, Feb. 5 KYODO—The Bank of Japan (BOJ), in a report released Monday, warned that current inflation potential is strong enough to compare with one seen in the second oil crisis in 1980. Japan's latent inflationary pressures have been growing since early last year, the central bank said.

The BOJ based its finding on an inflation-gauging method devised by the U.S. Federal Reserve Board [Fed].

Called "P Star," the method measures inflation potential by tracking gaps between real inflation and economic conditions such as money supply and the supply-demand balance in goods and services. Since the price-measuring formula provides one-year advance trends in inflation, bank economists urged a cautious watch on prices of goods.

One official said the BOJ intends to improve application of the Fed-devised method to make projections on inflation more accurate in order to implement appropriate monetary policy.

Current Account Surplus Declines Sharply in 1989

OW0202151490 Tokyo KYODO in English 0859 GMT
2 Feb 90

[Text] Tokyo, Feb. 2 KYODO—Japan's current account surplus declined in 1989 for the second straight year, showing the largest amount of fall ever from the year earlier level, the Finance Ministry said in a preliminary report Friday.

The surplus in the current account, the broadest measure of trade in goods and services plus some unilateral transfers, shrank 28.5 percent, or 22,656 million dollars, to 56,975 million dollars, the ministry said. Within the current account, the balance of merchandise trade was in surplus by 77,130 million dollars in 1989, decreasing by 18.8 percent for the second consecutive yearly drop. All the figures are before seasonal adjustment.

The narrowing in the 1989 trade surplus came as imports grew at a faster tempo than exports, following the trend in recent months against the backdrop of sluggish exports of autos and steel and growing crude oil imports. Imports rose 16.8 percent to 192,501 million dollars, while exports went up 3.8 percent to 269,631 million dollars.

A ministry official, speaking at a briefing, said the calendar year statistics make it likely that the nation's current account surplus will fall short of 61 billion dollars in fiscal 1989, a target the government set in an effort to parry foreign criticism of Japan's huge surplus.

The ministry also reported that the current account and underlying trade surpluses fell in December for the 10th

straight month. In December, the current account surplus fell 59.1 percent, or by 5,519 million dollars, from a year earlier to 3,818 million dollars, marking the largest decline ever for a single month. The trade surplus was down 42.9 percent to 6,301 million dollars in a decline aided by falling exports and rising imports.

Exports slid 6.5 percent to 23,993 million dollars, while imports grew 20.8 percent to 17,692 million dollars.

The ministry does not provide country by country figures on trade measured on a currency account basis for a single month.

In 1989, the balance of invisible trade, which gauges transactions of funds related to tourism, shipping, insurance and commodity services, was in deficit by a record 15,925 million dollars, widening from 11,263 million dollars in the previous year. The official attributed the widened deficit partly to a record deficit in the tourism account due to an overseas travel boom among Japanese. The tourism account posted a deficit of 19,327 million dollars. According to government statistics, the number of Japanese traveling abroad increased to 9.65 million in 1989 from 8.43 million in 1988.

The transfer account, also part of the current account, ended 1989 with a deficit of 4,230 million dollars, up from 4,118 million dollars in 1988. The chronic deficit in the long-term capital account decreased to 87,928 million dollars in 1989 from 130,930 million dollars in the previous year.

The official cited a rush of Japanese Eurodollar warrant bond issues as one of the major contributions to this decrease. Issuance of such bonds translates to an inflow of foreign capital to the country. The Japanese warrant bond offerings, the official said, helped offset active Japanese purchases of foreign stocks and bonds to some extent.

In 1989, Japanese net purchases of foreign securities totaled 113,285 million dollars, while Japanese offerings of foreign securities, including Eurobonds with equity-purchase warrants came to 75,746 million dollars.

The overall balance of payments, which measures all flows of funds into and out of Japan, posted a deficit of 33,286 million dollars in 1989, widening from a deficit of 28,982 million dollars in 1988. In December, the deficit in the invisible trade account increased to 1,910 million dollars from 1,399 million dollars a year earlier. As seen in the full year data, the widened deficit in this account was due largely to the deficit in the tourism account which grew to 1,695 million dollars from 1,528 million dollars a year ago. The official said the red in the tourism account undermined returns on Japanese investment abroad, which totaled 1,638 million dollars in the month.

The long-term capital account swung back to the black for the first time in nine months, scoring a surplus of 3,387 million dollars against a deficit of 7,866 million

dollars in November. The official ascribed the turnaround to slack Japanese investment in foreign bonds and active foreign investment in Japanese securities. In December, net Japanese purchases of foreign bonds, including U.S. Treasuries, declined to 5,528 million dollars from 8,669 million dollars in the previous month.

Foreign investment in Japanese securities, meanwhile, ballooned to 16,119 million dollars from 6,037 million dollars in November.

The surplus in the long-term capital account helped keep the overall balance of payments in surplus by 7,348 million dollars in December. The balance of payments surplus compared with a surplus of 231 million dollars in November and a deficit of 504 million dollars a year earlier.

Kaifu Welcomes Narrowed Trade Surplus

OW0502033390 Tokyo KYODO in English 0313 GMT 5 Feb 90

[Text] Tokyo, Feb. 5 KYODO—Prime Minister Toshiki Kaifu said Monday he welcomes a report that Japan's trade surplus narrowed in 1989 by 18.8 percent from a year earlier to 77,130 million dollars.

"With this shrinkage, Japan will be able to correct its trade imbalance with many countries from now on," Kaifu said to reporters while heading for Shizuoka on a stumping tour.

Central Bank Governor Leaves for U.S.

OW0702080990 Tokyo KYODO in English 0433 GMT 7 Feb 90

[Text] Tokyo, Feb. 7 KYODO—Bank of Japan Governor Yasushi Mieno left for Washington on Wednesday to meet with financial leaders in the United States, central bank officials said.

The five-day tour is the first trip by the central bank governor to the U.S. since he became the bank's head in December. Mieno is to meet Alan Greenspan, chairman of the U.S. Federal Reserve Board on Friday (Washington time), they said. The two men are expected to exchange views on the financial and economic situation in the two countries and to assure further cooperation to stabilize the yen-dollar exchange rate.

FTC To Prosecute Monopoly Law Violators

OW0602113290 Tokyo KYODO in English 1055 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—The Fair Trade Commission (FTC) is preparing to boost its capacity to charge more companies with violating Japan's Antimonopoly Law, commission Chairman Setsuo Umezawa said Tuesday.

Umezawa said the agency plans to increase the number of inspectors from the current 130 in order to boost enforcement and to increase cooperation between judges and prosecutors.

His remarks came during a speech to news reporters at the Japan National Press Club about plans for stricter application of the Antimonopoly Law before a third round of U.S.-Japan Structural Impediments Initiative (SII) talks aimed at reducing barriers to bilateral trade and investment.

The United States has criticized the FTC for failing to use its enforcement power and has said that as a result, the Japanese market is not open wide enough to foreign industry. The FTC has not filed any cases under Japan's Antimonopoly Law since 1974, when it accused the Petroleum Association of Japan and some oil-related companies of violations.

Umezawa said foreign countries have said Japan's penalties for violations of the law are more lenient than those in the U.S. and in European countries. Fines for violations in Japan amount to 1.5 percent of a company's sales, while U.S. companies generally are fined 20-50 percent of sales, Umezawa said. He also said charging companies under the law requires inspection by prosecutors, even if the FTC initially had completed an investigation, Umezawa said. Umezawa said, however, that the existing Antimonopoly Law does not necessarily need revision to enable the FTC to impose tougher regulations on cartels and other collusive activities by companies. Better guidelines also are being compiled to clarify what constitutes violations of the law, Umezawa said.

On another matter, Umezawa cited a recent announcement by the chairman of the Federation of Bankers Associations of Japan. The chairman, Kuniji Miyazaki, had told reporters Japanese banks might want to consider reforming their consumer service fees. Umezawa said Miyazaki should be more careful when discussing industry activities because any comment by the chairman of a business trade group may unfairly influence company policy.

Ambassador to U.S. Urges Trade Barrier Removal
OW0602133990 Tokyo KYODO in English 1255 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—Japan's Ambassador to the United States Ryohei Murata said here Tuesday that Tokyo and Washington must propose concrete measures to tackle structural barriers to trade in an interim report scheduled to be compiled by March.

The third round of bilateral trade talks on structural issues, called the Structural Impediments Initiatives (SII), is scheduled for late February in Tokyo.

Murata, in Tokyo on home leave, said in an interview with KYODO NEWS SERVICE that it goes too far to say the Japan-U.S. relations are on the verge of developing into a critical phase.

Murata, former vice foreign minister, became ambassador to Washington last December.

The ambassador said that despite trade frictions, overall relations between Tokyo and Washington are going smoothly, particularly with regard to security and overseas economic cooperation. However, "There are harsh opinions being expressed against Japan on the bilateral trade imbalance in the U.S. Congress, the business world, and journalism," he said. Meanwhile, Murata said that he has not heard calls in the U.S. to review its security pact with Japan [words indistinct].

Senior LDP Officials Endorse Rice Import Law

OW0102144390 Tokyo KYODO in English 1225 GMT 1 Feb 90

[Text] Tokyo, Feb. 1 KYODO—Two senior officials of the ruling Liberal Democratic Party (LDP) reiterated Thursday that the party will maintain a foodstuffs control law that restricts agricultural imports, including rice. LDP Secretary General Ichiro Ozawa and LDP Policy Research Council Chairman Hiroshi Mitsuzuka said in a prerecorded videotape for the Japan Broadcasting Corporation (NHK) the party will not open Japan's market to rice imports.

Ozawa and Mitsuzuka noted that Japan already is a major importer of agricultural products. Referring to foreign pressure on Japan to liberalize imports of farm products, Ozawa reiterated Japan will maintain its policy of self-sufficiency in rice, saying that "there are one or two things in any country that cannot be conceded." Japan's trade imbalance may well be corrected through trade in industrial products rather than farm products, Ozawa said.

KYODO news service earlier reported that a government advisory panel plans to urge the government to scrap a 1942 law that controls rice imports. The report was by both LDP and government officials.

A top LDP official accused KYODO of attempting to disrupt upcoming general elections by publishing "groundless" reports about a proposal to abolish the law protecting rice farmers.

Officials To Visit Cambodia on Peace Mission

OW0602111690 Tokyo KYODO in English 1006 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—The Foreign Ministry will dispatch officials to Phnom Penh and Hanoi later this month in an attempt to enhance the Kampuchean peace process, Foreign Minister Taro Nakayama said Tuesday. Nakayama told reporters that Masaharu Kono,

director of the ministry's First Southeast Asia Division, will pay a week-long visit to Phnom Penh February 15-22.

Meanwhile, Asian Affairs Bureau head Sakutaro Tanino will visit Hanoi toward the end of the month, he said.

Amid concern over the impact of the visits expressed by the United States, the Foreign Ministry appears anxious to play them down so as not to rock the delicate peace process. But the missions are expected to sound out the two Indochinese governments on a new Japanese peace plan relating to a proposed UN-organized transitional administration of Kampuchea prior to elections.

Nakayama pledged that Japan will actively participate in the process leading up to peace as well as in the reconstruction of Kampuchea after a comprehensive settlement. While noncommittal on reports of a new Japanese peace plan, officials acknowledged that Japan is gearing itself toward assuming "a leading role" in the peace process.

Spokesman Taizo Watanabe said that the mission is being sent to Phnom Penh to gather information that will facilitate "the smooth (implementation) of humanitarian aid or possible reconstruction cooperation" after the achievement of a comprehensive peace in the country. He further noted that Japan served as cochairman of a working committee for refugees and reconstruction problems at the international conference on Kampuchea held in Paris last August.

Tanino, meanwhile, will be visiting Vietnam "as part of a longstanding political dialogue" between the two countries, which takes place once every two years on average, the spokesman said. Tanino will be the highest Japanese official to visit Vietnam since Vice Foreign Minister Takakazu Kuriyama visited Hanoi in November 1988 while serving as deputy foreign minister.

Watanabe said that aside from the Kampuchean problem, the two sides will discuss bilateral issues, including the anticipated visit to Japan by Vietnamese Foreign Minister Nguyen Co Thach. While discussions of future Japanese economic assistance can be expected in both Vietnam and Kampuchea, there is no change in Japan's suspension of aid pending a comprehensive peace settlement, he said.

The spokesman stressed that the dispatch of officials to Phnom Penh is not meant to imply Japanese recognition of the Heng Samrin Government, installed in place of the notorious Khmer Rouge after Vietnam's invasion in 1979. He noted that Kono and an accompanying Foreign Ministry official will not be carrying diplomatic passports and said that their meetings will be restricted to "subcabinet level" contacts.

A meeting with Prime Minister Hun Sen, who served recently as foreign minister, is not expected, Watanabe said. The spokesman's remarks follow those of a Phnom Penh Government source late last month that "the

highest leader of this country for day-to-day affairs" is ready to meet with Kono. The reference was believed to be to Hun Sen, as opposed to Communist Party leader Heng Samrin.

Kono, who returned recently from a visit to Washington, made the request of the U.S. Government after it heard of Japan's upcoming diplomatic endeavors in Indochina.

Officials said both sides agreed that the peace process is now in a "delicate period," in which neither should send "misleading" signals of a change of heart toward Phnom Penh.

Soviet Oil Output Drop Seen Raising Prices

OW0602103590 Tokyo KYODO in English 0843 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—A substantial decline in crude oil production in the Soviet Union, the world's largest producer, is threatening to put additional upward pressure on crude oil prices, industry sources said Tuesday.

Average daily crude oil production in the Soviet Union was 12.15 million barrels in 1989, down 2.7 percent from the previous year, according to official Soviet statistics.

The country exported 1.55 million barrels of crude oil per day to East European countries in 1988, and 2.19 million barrels to Western countries, according to the U.S. Central Intelligence Agency (CIA), which is regarded as the most reliable source of information in the West about the East Bloc's oil output, the sources said. Soviet exports to the West fell by 500,000 to 600,000 barrels per day from 1987, according to the CIA estimates.

The Soviet Union reportedly told Hungary and Czechoslovakia recently that it will cut its crude supply to them, the sources said. "If the current downtrend continues," said an official of a major Japanese oil refiner, "that will be a big factor in pushing up crude oil prices over the long term."

Experts are agreed that primary reasons for the drop in Soviet oil production are aging facilities and stagnant development of new oil fields, the sources said. "The Soviets are now paying the price for their negligence in investments during the Brezhnev era," observed Koichi Hasegawa, a senior analyst with the Petroleum Association of Japan.

Soviet President Mikhail Gorbachev boosted spending on oil facilities in the first few years of his tenure, but has since given priority to increasing domestic supplies of food and consumer goods in budget allocations, Hasegawa said.

Also threatening to choke off Soviet oil production is raging ethnic turmoil in Azerbaijan, where two-thirds of the nation's oil-related facilities industries are located, the sources said.

With the supply from the Soviet Union thinning rapidly East European nations are turning to Middle East producers, they said. The increase in East Europe's imports from members of the Organization of Petroleum Exporting Countries (OPEC), however, has been only several tens of thousands of barrels a day, a small figure compared with 50 million barrels that Western countries consume every day. East Europe's surging demand for oil from the OPEC member countries is not seen as a serious threat to the world oil market. "East European nations do not have enough hard currency to increase imports from the OPEC members [word indistinct]," according to Nobuyuki Nakahara, president of Tonen, a major Japanese oil refiner. But the expected revitalization of East European economies amid a shrinking oil supply from the Soviet Union, which will inevitably enlarge OPEC's share of world production, will cause a spurt in crude oil prices, Hasegawa said.

Reportage on Lower House Election Campaign

Parties Issue Election Statements

OW0302000690 Tokyo KYODO in English 2302 GMT
2 Feb 90

[Text] Tokyo, Feb. 3 KYODO—Japan's political parties Saturday vowed all-out efforts to make gains in the February 18 general election for the House of Representatives.

The Liberal Democratic Party (LDP) issued a statement saying the ruling conservative party will defend Japan's democratic society.

All political parties issued their statements Saturday as they were kicking off their 15-day campaign for the election.

The LDP will resist an opposition move toward forging a coalition government because some of opposition parties still maintain socialist ideology, the LDP statement said. It said the election will decide whether Japan will remain a vital free society or a socialist one in the 1990s.

Four noncommunist opposition parties—the Japan Socialist Party (JSP), Komeito, the Democratic Socialist Party (DSP), and the United Social Democratic Party (USDP)—urged voters to support them in order to oust the LDP from power.

A JSP statement said the largest opposition party would make every effort to put an end to the 35-year-old "dictatorial and money-oriented LDP regime" to pave the way for the formation of the four-party coalition government.

The centrist Komeito, supported by the lay Buddhist organization, Sokagakkai, said in a statement the party would improve the life of Japanese people and protect the earth's environment.

The Japan Communist Party (JCP) also issued a statement, saying it would fight to build an affluent Japanese society and to prevent military expansion and war.

The DSP, another centrist party, accused the LDP of corruption and money-oriented politics and said it would make every effort to build a fair society.

The minor opposition party, USDP, called on voters for support to pave the way for replacing what it said was the money-oriented politics of the LDP.

Opposition Opens Campaign

OW0302071890 Tokyo KYODO in English 0518 GMT
3 Feb 90

[Text] Tokyo, Feb. 3 KYODO—Opposition party leaders opened their campaigns for the February 18 general election on Saturday, appealing to voters to help them end the ruling Liberal Democratic Party's [LDP] longstanding domination of Japanese politics.

As campaigning for the 512-seat House of Representatives election officially got under way in the morning, Japan Socialist Party Chairwoman Takako Doi called on voters to change the LDP's money-oriented politics.

Doi, speaking to more than 200 people outside of Japan Railway's (JR) Shinjuku Station, said the LDP has not shown remorse the Recruit shares-for-favors scandal involving top LDP leaders. She also criticized the LDP's huge election war chest supplied by powerful business patrons, reportedly totaling 30 billion yen. The top opposition party is determined to address political reforms, the unfair tax system, and the scrapping of the 3 percent Consumption Tax, Doi said.

Koshiro Ishida, chairman of the No. 2 opposition party Komeito, told a crowd in Ueno, that the LDP deserves criticism for spending huge sums of money on election campaigns. Ishida, speaking before some 1,000 listeners, said his party is strongly opposed to "buying one's conscience" in election campaigns. With a sign language interpreter beside him on a wagon, Ishida called for legislation to limit the influence of money in politics as other advanced nations like the United States have done. He also pledged to scrap the LDP-installed Consumption Tax and instead proposed overhauling the tax system that favors business.

Also outside of Shinjuku Station, Japan Communist Party Presidium Chairman Tetsuzo Fuwa said the election marks as watershed in ending the LDP's one-party rule. Fuwa said his party alone can purify clean politics for taxpayers, prompting cheers from over 500 supporters. He called for abolition of the Consumption Tax, an end to corporate donations to political parties and opposition to liberalization of rice imports. Fuwa also

blasted as irrelevant the LDP's claim that it alone can foster democracy and liberalism, saying public welfare has been held captive to the costs of stationing U.S. troops in Japan.

Democratic Socialist Party Chairman Eiichi Nagasue said the election is a serious one that will decide the direction Japan will take in a dramatically changing world. The leader of the centrist party, speaking before some 500 supporters outside the JR's Omori Station, called for the end to LDP rule and the establishment of a clean government.

Satsuki Eda, leader of the United Social Democratic Party, told an audience outside of JR's Shibuya Station that there is a Berlin Wall in Japan—the LDP's one-party rule—and urged them to knock it down.

Kaifu Defines Choices

OW0302064390 Tokyo KYODO in English 0436 GMT 3 Feb 90

[Text] Tokyo, Feb. 3 KYODO—Prime Minister Toshiki Kaifu kicked off the official campaign season Saturday by urging voters to select the best political system to deliver Japan into the 21st century.

"This election is a choice between a free society and socialism," Kaifu, president of the ruling Liberal Democratic Party (LDP), told a crowd of 2,000 gathered outside of Japan Railway's Shibuya Station in central Tokyo. Speaking from the rooftop platform of a campaign van sporting the party color green, Kaifu reminded voters that it was the LDP that has delivered the prosperity they enjoy today. "I'm going to do my best to make a fair, prosperous society, so please give me your support," he said, pledging to boost resources for social welfare, cultural activities, and education.

The LDP is facing one of its toughest elections since it embarked on an uninterrupted hold on power 35 years ago, and Kaifu's future as prime minister is contingent upon winning a majority in the February 18 elections for the 512-seat House of Representatives.

Kaifu questioned whether an opposition coalition government would be sufficiently competent at handling delicate relations with the United States. "The opposition parties can't even agree about the Japan-U.S. Security Treaty," he said. "I want you to decide if you want a coalition government that has been established overnight, or are you going to select the LDP, which has up to now won approval for its effort," Kaifu said in a 30-minute speech touching on foreign relations, the Consumption Tax, and raising the quality of living.

A 40-year-old businessman said he considered this election particularly important because it could affect Japan's relations with foreign countries.

Yoko Nomura, 36, who recently returned from 7 years in the United States, said she would choose the candidate who had the best policies for improving the nation's

standard of living. "Life was easier in the United States, I want to improve consumer life here," she said.

Sumiko Ishida, an office-worker in her late 30s, said that this general election is more important than usual because it will "determine the future direction of Japan." "Until now voters have been too apathetic, I think stronger interest in politics, particularly among women, is a good thing," she said.

Kaifu was scheduled to travel to Sapporo on the northernmost main island of Hokkaido later in the day for his first out-of-town campaign stop in a 2-week swing through over 30 of Japan's 47 prefectures.

Scandal-Tainted Candidates Campaign

OW0302141190 Tokyo KYODO in English 1223 GMT 3 Feb 90

[Text] Tokyo, Feb. 3 KYODO—Candidates tainted by the Recruit influence-peddling scandal kicked off their official campaigns on Saturday after filing their candidacies for the February 18 House of Representatives election.

Among the candidates are former Chief Cabinet Secretary Takao Fujinami and former Vice Education Minister Kunio Takaishi, both of whom have been accused of taking bribes from the information giant. Other candidates trying to shrug off the scandal include Yasuhiro Nakasone and Noboru Takeshita, both former prime ministers, and Shintaro Abe, former secretary general of the Liberal Democratic Party (LDP).

The 57-year-old Fujinami, a House of Representatives member from Mie Prefecture, asked about 300 voters near Ise Shrine for their support. "I will be found innocent at the trial and recover my reputation," he declared. Fujinami, the former government spokesman for then Prime Minister Nakasone, was indicted last May for allegedly accepting bribes from Recruit between 1985 and 1986 in return for using his influence on behalf of the conglomerate.

Takaishi, 59, started his campaign speeches in Kurume, Fukuoka Prefecture amid mounting criticism toward him as a bribery-tainted candidate. The former top bureaucrat is also charged with accepting bribes from Recruit, and said he will make utmost efforts to win his first seat in parliament.

Nakasone, 71, launched his election campaign in Takasaki, Gunma Prefecture, and told about 100 supporters that he is determined to retain his seat in the general election. The former prime minister left his faction within the LDP and resigned from the party after Fujinami's indictment. Six candidates are running against Nakasone for the prefecture's four-seat No. 3 constituency. Among them are Tsuruo Yamaguchi, secretary general of the Japan Socialist Party (JSP), and Kenichi Shiraishi, a former labor union executive. Shiraishi is backed by Japan's largest trade union, Rengo, the JSP and other three major opposition parties.

LDP Officials on Nakasone

OW0502201390 Tokyo KYODO in English 1359 GMT
5 Feb 90

[Text] Beppu, Oita Pref., Feb. 5 KYODO—Former Prime Minister Yasuhiro Nakasone, who left the ruling Liberal Democratic Party [LDP] in the wake of the Recruit influence peddling scandal, could likely return to the LDP if re-elected in the upcoming House of Representatives election, a ranking party official said here Monday.

Chairman of the LDP Executive Council Shunjiro Karasawa, campaigning here on behalf of party candidates for the February 18 poll, said: "Mr. Nakasone is considered highly overseas. I think we would like his active participation from an international standpoint." Calling the former prime minister's re-election in Gunma's third district an "ablation," Karasawa is the first of three key party officials who were once members of the Nakasone faction to suggest the possibility of his return to the LDP fold.

Prime Minister Toshiki Kaifu had already remarked in last Friday's nationally televised round table debate of five political party leaders: "We will watch carefully how the voters decide."

LDP Secretary General Ichiro Ozawa said that the judgment of politicians is "ultimately entrusted to the people," indicating that if Nakasone reapplied for party membership, the LDP's Executive Committee would have to consider the matter.

Sources within the LDP, however, have remarked that there is considerable criticism of Nakasone for not taking responsibility for the Recruit scandal and his application for party membership would certainly become a delicate matter.

Kaifu: System Choice Settled

OW0402134390 Tokyo KYODO in English 1239 GMT
4 Feb 90

[Text] Tokyo, Feb. 4 KYODO—Prime Minister Toshiki Kaifu and opposition party leaders went campaigning Sunday for voter support for the February 18 general election for the House of Representatives.

Kaifu, who returned the previous night from a one-day stumping tour in Sapporo, northern Japan, went to Chiba Prefecture neighboring Tokyo and made 20-minute speeches in three places. Speaking before some 1,000 supporters gathered at a park, Kaifu said, "The choice of social system (between liberalism and socialism) has been settled. You are requested to choose policies and a political stance that the world can trust and that can ensure the future of Japan in the 21st century."

Takako Doi, chairwoman of the Japan Socialist Party, flew to Kagoshima Prefecture, southern Japan. Before a crowd of 12,000 in front of Kanoya Municipal Hall, the leader of the largest opposition party called for the

abolition of the unpopular 3 percent consumption tax. Doi said the LDP is thought to be pressing auto and home electronics businesses to make special political donations and that the consumption tax has resulted in numerous political donations to the LDP from business circles. At a news conference, Doi proposed introducing an indirect tax on specific items at different rates after the abolition of the consumption tax.

Komeito Chairman Koshiro Ishida campaigned in Fukuoka and Kumamoto, southern Japan, and Japan Communist Party Presidium chairman Tetsuzo Fuwa campaigned in Tokyo and Yokohama.

Eiichi Nagasue, chairman of the Democratic Socialist Party, went to Nara, Hyogo and Mie Prefectures and called for a change of power.

Satsuki Eda, representative of the United Social Democratic party, campaigned in Gunma and Yamagata Prefectures.

Kaifu Pledges Political Reform

OW0602145390 Tokyo KYODO in English 1409 GMT
6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—Prime Minister Toshiki Kaifu pledged Tuesday to carry out political reforms, including the reallocation of seats in the House of Representatives, by this autumn. Kaifu, in a joint interview for several magazines at a Tokyo hotel, said he personally wants to carry out the political reforms by the time of the centenary anniversary of the establishment of the Diet in late November. His statement suggested his strong desire to stay in power after the February 18 general election for the Lower House, dissolved last month.

Kaifu said his Government started "at the bottom" and he will hold on as prime minister until his scandal-ridden Liberal Democratic Party regains people's trust.

On Japan-U.S. economic frictions, Kaifu reiterated that he wants to visit the United States at an early date after the election to discuss the issue. He said he hopes to solve economic structural issues with the U.S. through "tenacious" talks between the two countries.

Hatano Appointed Ambassador to United Nations

OW0602084790 Tokyo KYODO in English 0653 GMT
6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—Yoshio Hatano, ambassador to the Permanent Mission to International Organizations in Geneva, will become Japan's new ambassador to the United Nations, the Foreign Ministry said Tuesday. Hatano, 58, is expected to replace Hideo Kagami.

Nobutoshi Akao, minister at the Japanese Embassy in Washington, will head the ministry's United Nations Bureau, succeeding Minoru Endo.

Both appointments are effective Friday.

The Foreign Ministry Tuesday established a new ambassadorial post to promote cooperation in Asia and the Pacific region. Former ambassador to Denmark, Michio Mizoguchi, was appointed to the post at a Tuesday cabinet meeting, officials said. In the new job, Mizoguchi will integrate activities in Asia and the Pacific region, officials said.

Hatano has been in Geneva since 1987. Prior to that posting he served as Foreign Ministry spokesman and director general of the Middle Eastern and African Affairs Bureau.

Team To Monitor Mideast Peacekeeping Efforts

OW0602131190 Tokyo KYODO in English 1231 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—The Foreign Ministry will dispatch a survey mission to four Middle Eastern countries from February 9-25 to gather information on United Nations peacekeeping operations. The five-member mission, which is to be headed by former ambassador to the UN Kiyooki Kikuchi, will visit four peacekeeping sites in Syria, Jordan, Israel, and Cyprus. The mission will also hold talks with UN officials in charge of relief operations for Palestinian refugees.

At UN Headquarters in New York, the officials will meet with responsible officials, after which they will formulate recommendations on how Japan can best expand its cooperation in UN peacekeeping efforts, officials said. Japan, which has so far contributed to peacekeeping activities in Afghanistan and Iran-Iraq, has been pledging a greater involvement in manpower as well as funds. But spokesman Taizo Watanabe stressed to reporters that Japanese contributions will continue to be of a nonmilitary nature.

On a related subject, officials later Tuesday said a 2.5 million dollar UN trust fund set up unilaterally last summer by Japan for peacekeeping activities has all been used up for operations in Nicaragua. While the fund will be replenished out of the government's new budget, officials expressed disappointment that no other nations have yet joined in the endeavor.

Task Force To Study Oil Tanker Spills

OW0702114490 Tokyo KYODO in English 0831 GMT 7 Feb 90

[Text] Tokyo, Feb. 7 KYODO—The Ministry of Transport said Wednesday it has set up a task force to begin examining countermeasures for preventing future oil spills from tankers, a problem which has had disastrous effects on world marine and wildlife environments. The first meeting of the task force will be held on February 28 and include representatives from Japan's Shipbuilding Research Association, shipbuilding industry and marine transportation sector, ministry officials said.

The task force was formed due to recent shipping accidents involving oil spills, such as that of the U.S.-based Exxon Corp.'s tanker which leaked petroleum in Alaskan waters last March, causing damage to the local marine and wildlife habitats, they said.

The task force will consider the merits of building double-structured hulls for oil tankers, along with the ships operational costs and rising oil prices, to decide countermeasures for preventing head-on collisions and groundings on beaches or rocks which are known to puncture tanker hulls, the officials said. While the task force will use computer simulations to evaluate the merits of double-structured hulls, it will also gather data to measure the economic costs for correcting the wide range of manufacturing processes. It will also examine the potential capital loss from a reduction in the size of the container sections which hold oil, the officials said.

Following Exxon's oil spill in Alaska, the U.S. Congress in November 1989 passed legislation that would force shipbuilders to build new vessels with double-structured hulls, and reinforce hull structures in existing vessels in the next seven years, they said. The International Maritime Organization, a United Nations agency, set up a committee last October to devise measures for strengthening hull structures in oil tankers, just three months after preventive measures for shipping accidents were discussed at the Paris summit.

ROK Fishing Boat Arrested Off Western Honshu

OW0602103990 Tokyo KYODO in English 0921 GMT 5 Feb 90

[Text] Yonago, Tottori Pref., Feb. 6 KYODO—A South Korean fishing boat was seized and its captain arrested in western Japan on Tuesday for allegedly operating illegally in Japan's territorial waters, Maritime Safety Agency officials said.

The agency's patrol boat Awaji found the 45-ton South Korean boat, the Dae Myong, operating in the Japan Sea some 21 kilometers northeast of Shimane Prefecture on Tuesday morning. The captain was arrested and the ship taken to Sakaiminato.

Correction to Televised Election Debate: One

OW0702000390

The following correction pertains to the item headlined "NHK Televises Election Debate—Part One," published in the 6 Feb East Asia DAILY REPORT, page 1: Page 11, column one, last paragraph, last sentence, make read: ...The number of Diet members is different for each party. Although the JSP...(rewording)

Mongolia

Plans To Set Up Patriotic Unity Front Declared

OW0602183090 Ulaanbaatar MONTSAME in English
1712 GMT 6 Feb 90

[Text] Ulaanbaatar, 6 February (ANA-MONTSAME)—The Mongolian Front of Patriotic Unity (MFPU) should be, in our opinion, a voluntary mass-political organization open to all public organizations and movements, as well as individuals irrespective of the differences in their political views, said today writer L. Hushaan, at a press conference for Mongolian and foreign journalists. Mr. L. Hushaan is the secretary-coordinator of the initiative group for setting up MFPU.

"The activities of the front will be aimed at facilitating the restructuring whose objective is the dismantling of the administrative-command model of socialism. We fully share the conviction of the Mongolian People's Revolutionary Party that the only correct way of overcoming difficulties is to move forward on the basis of collective reason and cooperation with broad the public," L. Ushaan noted.

In its press release the MFPU initiative group declares the following aims: renewal and democratization of society by way of consolidating and uniting progressively and patriotically minded public and political forces, joint working out of generally acceptable views, stands on and interpretations of pressing problems and tasks facing society, development of pluralism of views and freedom of conscience, etc.

We uphold dialogue and the idea of confrontation is alien to us, L. Hushaan said.

The MFPU initiative group expects that the finances of the front will be formed from donations by group and individual members as well as proceeds from its publications. The front, whose emergence is to be declared at a constituent conference slated for next month, plans to revive as its own periodical the newspaper "ARDYN UNDESNII KERH" which was published from 1932 to 1941.

The initiative group members representatives of academic, literary, journalistic and artistic circles, lawyers, teachers, physicians, industrial workers as well as the clergy.

Prime Minister Dumaagiyn To Visit Japan

OW0702010990 Ulaanbaatar MONTSAME in English
1702 GMT 6 Feb 90

[Text] Ulaanbaatar, 6 Feb (MONTSAME)—Dumaagiyn Sodnom, chairman of the MPR Council of Ministers will pay an official visit to Japan at the end of February and beginning of March 1990 at the invitation of the Government of Japan.

Batmonh Congratulates New Polish Party Leaders

OW0102051490 Ulaanbaatar MONTSAME in Russian
1502 GMT 31 Jan 90

[Text] Ulaanbaatar, 31 Jan (MONTSAME)—Jambyn Batmonh, general secretary of the MPRP [Mongolian People's Revolutionary Party] Central Committee, congratulated Aleksander Kwasniewski, chairman of the Chief Council of the Social Democracy of the Polish Republic (SDPR), and Lesek Miller, general secretary of the Central Executive Committee of the SDPR, in connection with their election to these high posts. On behalf of the MPRP Central Committee and on his own behalf, he wished them successes in the cause of the development and prosperity of the Polish Republic.

Mongolian Leader Pays Visit to Coal Mine

OW0702031290 Ulaanbaatar MONTSAME in English
1719 GMT 6 Feb 89

[Text] Ulaanbaatar, 6 February (OANA-MONT-SAME)—Jambyn Batmonh, general secretary of the MPRP, Central Committee and chairman of the Presidium of the MPR People's Great Hural (national assembly) visited the town of Nalayha and the oldest coal mine there working for the capital city.

Because of the violation of the exploitation regime the Nalayha coal mine in the recent years has faced difficulties in extracting coal which resulted in state plan destabilization. The Mongolian leader has gotten acquainted with the situation in the coal mine, met its administrative workers and specialists and discussed possible ways for solving the existing problems. Jambyn Batmonh attended also a number of enterprises and a service centre in the Nalayha town. In his trip to Nalayha he was accompanied by L. Lantuu, candidate Politbureau member and first secretary of the Ulaanbaatar City Party Committee, S. Bathuyag, minister of power, mining industry and geology, T. Namjim, minister and first deputy chairman of the State Planning and Economic Committee, S. Monhjargal, mayor of Ulaanbaatar and other officials.

Newspaper Publishes Criminal Statistics for 1989

OW0702014490 Ulaanbaatar MONTSAME in English
1706 GMT 6 Feb 89

[Text] Ulaanbaatar, 6 February (MONTSAME)—The capital's newspaper "ULAANBAATARYN MEDEE" has published criminal statistics for 1989, issued by the information and analytical department of the Ulaanbaatar Police Administration.

Last year 7,623 crimes (0.9 per cent up on 1988) were committed in the country (population about 2,000,050) as a whole. At the same time crime rates went down by 5.6 percent in the country's most populous city of Ulaanbaatar (more than 500,000 people), where 2,211 out of the above-mentioned number of crimes took

place. However, Ulaanbaatarites accounted for 67.8 per cent of the total 14,762 people who were taken to sobering stations.

The increase in crime rates was due to a growth in the number of such offences as homicide (13 cases in 1989), hooliganism (150), violence against the person (219), embezzlement and theft of state property (302).

On the whole, 83.9 per cent of all crimes were cleared up.

North Korea

Reportage on Ninth North-South Sports Talks

Outline of Talks

*SK0702112490 Pyongyang KCNA in English
1058 GMT 7 Feb 90*

[Text] Panmunjom February 7 (KCNA)—The 9th round of North-South sports talks to discuss the formation of a single team of the North and the South for the 11th Asian Games was held in the South side's portion of Panmunjom today.

Speaking first, head of our side's delegation Kim Hyong-chin noted that the dialogue was deadlocked at the final stage with the signing of an agreement at hand, and the formation of a single team which was near success suffered a heavy frost overnight. Citing concrete facts, he ascribed this to the unreasonable act and stand of the South side. It is a desire of all the fellow countrymen and the noble national task assumed by the delegates of both sides to form a single team of the North and the South for the Asian Games, he stressed. And he proposed to the South side the following demands carrying the principled stand of our side:

Firstly, we demand that the sides agree not to go to the 11th Asian Games separately but participate in it as a single team under any circumstances and declare this at home and abroad.

Secondly, we demand that the South side admit that it has delayed the formation of the single team by bringing forward matters outside the dialogue or to be discussed at the joint committee and withdraw all its "supplementary principles".

Thirdly, we demand that sports officials of the South side withdraw their remarks that they would go to the 11th Asian Games as a separate team.

Kim Hyong-chin strongly urged the South side to accept our demand with sincerity and without delay if it had the least interest in the formation of a single team of the North and the South.

The South side, however, attempted to lay the blame for the fruitless talks at the door of our side and repeated its old argument, insisting on the preferential discussion of what it called "interpretation of words" and the question of sending a letter to the international organization, in

case a single team should fail to be formed, informing it that the sides would participate in the games separately.

When our side said whether the South side accepts our three-item proposal or not will be a touchstone showing whether they want the formation of a single team or not, the South side described its idea of sending the letter as a "mechanism of guarantee" for the formation of a single team.

Refuting its unreasonable insistence on the discussion of this matter which presupposes failure to form a single team, our side strongly demanded the South side to accept our proposal, if it had any intention to form a single team.

The South side, however, challenged this with the allegation that our just proposal was intended to "bring to a rupture" the talks and that the statements of the Olympic Committee chairman and the "sports minister" of the South side were "individual" expressions, in an effort to conceal what it really intended.

Hence, our side recalled in detail how premeditatedly and intentionally the South side had manoeuvred up until now to foil the formation of a single team and bring the talks to a rupture, and strongly urged it to cease from insidious acts of disappointing the entire fellow countrymen and bringing disgrace to our nation.

The talks ended fruitless again due to the wrong stance and attitude of the South side.

Concluding the talks, Kim Hyong-chin warned that if a single team failed to be formed, the South side would be held wholly responsible for this. As regards the date of the next round of the talks he clearly manifested the readiness to come out to the negotiating table any time the South side accepted our three-item demand.

He met with newsmen after the talks.

North Side Demands Stated

*SK0702053990 Pyongyang Domestic Service in Korean
0315 GMT 7 Feb 90*

[Text] According to the report sent by reporters Kim Myong-song and Han Kwang-tok from Panmunjom, the ninth round of North-South sports talks were held in the area of the South side in Panmunjom today to discuss the issue of forming a single North-South sports team to participate in the 11th Asian Games. Kim Hyong-chin, chief delegate of our side, spoke first at the talks.

[Begin Kim Hyong-chin recording] Today we are having the full-dress talks for the third time already this year. The two sides promised to conclude the discussion on the basic issues last December and to sign the final written agreement on forming and founding the single team in February this new year, thereby making the written agreement effective from 2 February, but we now have to go through the ninth round of talks today. We feel truly sorry for this.

Today our talks ran against a serious difficulty in the final stage of conclusion on the threshold of signing the written agreement, and frankly speaking, we can say that the present situation of the talks are at an important crossroad of whether to follow or not the footsteps of the talks in the 1960's and the 1970's that failed, although talks were held, to give birth to a single team. The entire fellow countrymen and the sports people of the North and South are very sorry for this, and are deeply worried about the fate of the talks and the future of the single team. As fair opinion at home and abroad consistently acknowledge, the issue of forming a single team is at a grave crossroad and the fate of the talks itself is at stake. Your side should be totally held responsible for this. In other words, the talks are at a standstill, and the single team, which were about to be realized, has suffered a bitter blow all of a sudden. This is fundamentally due to the unjust attitude and position for dialogue of your side that has created an artificial difficulty and complication before the talks, which was determined right from the outset to participate in the 11th Asian Games not as a single team but as a separate team without forming a single team, while carrying on the talks.

From the outset of the talks, your side did not intend to realize a single team but, on the contrary, has put on the brakes one after another, devising various methods, so that the discussion of the issue of forming a single team may not make progress.

As for the course of discussing the method of selecting the players, we put forward concrete plans according to the characteristic nature of each game during the first round of talks. However, your side said that these plans were complex, and insisted that such complex issues should be discussed at the joint committee which will be formed in the future, rather than at the talks.

Although our plans were just and fair, proceeding from the position of expeditiously solving even one problem, we agreed with your side's proposal for discussing our plans at the joint committee, thus revising our initial plans.

However, your side, contrary to your previous assertions, worked out 18-point complex methods for selecting players and put them forward at the fourth round of talks. Thus, your side overturned the previous agreement reached by both sides. Your side then stubbornly insisted that these methods should be discussed at the full-dress talks instead of joint committee. Just like a thief calling "Stop thief!", your side even picked a quarrel with us, saying that we have not put forward concrete plans concerning the selection of players.

During the fifth round of talks, your side again put forward the issue of fairness in selecting players and thus created obstacles to the talks.

Such an act by your side proceeded from the purpose of intentionally evading the formation of a single team. Even from that time, we realized that your side had no intention of really forming a single team. However, being

patient with your side's erroneous acts, we showed magnanimity by accepting your side's plan intact.

Since progress was made in the talks from that time thanks to our active efforts and sincerity, your side more undisguisedly showed the unjust attitude of avoiding the formation of a single team. This was clearly shown by the action taken by your side during the sixth round of talks on 22 December last year.

I am sure your side still clearly remembers. In order to implement the agreement reached by both sides on concluding the discussion of 10-point plans by November last year, we accepted your side's proposals intact, although they had many problems, concerning the four questions which were not solved by that time, including the issue of head of the team and the issue of the place of the joint secretariat. Thus, our side made a great concession.

As a result of this, the basic plan concerning the formation of a single team was completely reached in the agreement during the sixth round of talks. This was a unprecedented and remarkable event in the nearly 30-year history of the North-South sports talks.

However, what attitude did your side assume at that time? Despite the fact that the 10-point plans for formation of a single team were reached on the agreement thanks to our concession, your side, to our surprise, preposterously insisted that the agreement was not reached, thus staging a ridiculous comedy.

Furthermore, as our side accepted your side's plan for composing and operating a joint organization for a single team, your side asked why we agreed without careful study and so expeditiously showed displeasure over our agreement with this plan, thus picking a quarrel with us.

Such an act by your side is an abnormal act which a man with sound reason cannot imagine and which was mocked and derided by all the people who were watching our talks. From these facts, we came to realize that your side does not want the progress and settlement of the issue of forming a single team.

Your side's maneuvers to delay and frustrate the formation of a single team were more undisguisedly revealed during the fourth round of meetings between the working delegates which was held a week before the seventh round of talks. During these meetings, we were going to sign the written agreement and declare the birth of a single team at home and abroad.

As was revealed, your side, violating the provisions stipulated by the full-dress talks, put forward complex 37-point issues on the pretext of supplementary provisions. This created difficulties and complexity before the talks. Then, your side stubbornly insisted that if these issues are not discussed first, your side would neither work out a draft of written agreement nor sign it.

Needless to say, it has become clear that the supplementary rules that your side is talking about are violations of

the spirit of the mutual agreement. They are also obstacles that delay the formation of the single team, pose difficulties in the talks, and complicate the talks. However, your side said that the agreement cannot be drafted and signed before this issue is discussed. This in itself shows that your side had no intention of forming the single team in the first place.

Moreover, what surprises us is the fact that your side unhesitatingly put forth the proposal that a letter be sent to the Beijing Asian Games Organizing Committee and the Olympic Council of Asia, a letter that says that separate teams will participate in the Asian Games if no agreement is reached on the formation of the single team. The very fact that even while holding talks designed for participation as a single team, your side proposed that a letter that says that separate teams will participate be sent to the Games Organizing Committee and the international organization is our nation's shame. It is a betrayal to fellow countrymen's earnest desire for a single team.

The entire world knows that in reality, no progress has been made in our talks for over 30 days—since the 4th contact of working-level delegates up until today—because your side put forth the far-fetched issue of the so-called supplementary rules in the 4th contact of working-level delegates, thus creating an artificial obstacle to the talks.

We have recently come to know more clearly that your side's act of delaying the formation of the single team and leading the talks to a catastrophe is no accident. A responsible relevant person of your side said a while ago that if the North and South participate as a single team, they may do more poorly than if your side participates as a separate team. Also, one of your sports authorities openly declared that your side will participate in the 11th Asian Games as a separate team. This weird declaration by those who are in charge of sports affairs can be said to be an all-out challenge designed to lead the issue of forming the single team to a rupture, a declaration that the sports talks have broken down. Moreover, South Korean newspaper reports have persistently aroused public opinion on the notion that your side will participate separately in the Asian Games.

We cannot but be surprised at this and express a grave concern over it. The earnest desire of all fellow countrymen and the solemn national task assigned to the 10 delegates of the two sides is for the North and South to participate in the 11th Asian Games as a single team. We must form a single team under any circumstances, and we cannot stop halfway in the process toward this end. For this result, your side must assume a stance of sincerely forming a single team.

In connection with this, we present the three principle problems to you as follows:

First, we demand that the two sides make sure that they will not participate in the 11th Asian Games as separate teams and that they will do so as a single team under any

circumstances. We demand that the two sides declare it at home and abroad. Your side proposes that a letter that says that each side may participate as a separate team under unavoidable circumstances be sent to the Beijing Games Organizing Committee and the Olympic Council of Asia. This is a cunning trick to open a way for each side to participate not as a single team but as separate teams. Even though you say that this is a mechanism to guarantee the implementation of the agreement, this is an absurd demand, and this is a guarantee mechanism with which to participate as a separate team. If your side participates in the 11th Asian Games as a member of a single team, your side must withdraw this proposal. Also, under circumstances in which a complete agreement has been reached on fundamental issues, your side must agree with us that the North and South will participate as a single team under any circumstances and must declare it at home and abroad, thus showing in deed, your side's will to form a single team.

Second, we demand that your side admit that you had delayed the formation of a single team by insisting on discussing either issues that have nothing to do with the talks or issues to be discussed by the joint committee and we demand that you completely withdraw the supplementary provisions.

As has indisputably been made clear, the so-called supplementary provisions that your side insists on discussing are a braking device that keeps a single team from being formed. Although we can make concessions and compromise when it comes to the issues concerning the formation of a single team, under no circumstances can we tolerate your side's attitude of standing in the way of forming a single team.

If your side has the least interest in forming a single team, you should translate it into action. Even now your side should accept our assertions that you admit you have deliberately laid artificial obstacles to the talks, withdraw the supplementary provisions, adjust the wording in the agreement on the proposals for the formation of a single team that has already been reached, and sign the agreement.

Third, we demand that responsible sports officials of your side who announced their intention to participate in the 11th Asian Games in a separate team repudiate their remarks. In a double game, your side seeks to participate in the Asian Games in a separate team while sitting in the talks held to discuss the formation of a single team. This is nothing but a never-to-be-condoned affront to all the fellow countrymen and all the sports officials in the North and South who hope for a single team and is an intolerable mockery to the opposing side to the talks.

Your side should discontinue all acts being committed as part of an effort to participate in the games in a separate team without delay, and should take appropriate steps to make the responsible sports officials of your side who

have declared for participating in the games in a separate team, not in a single team, recant their remarks.

Thus far, we have made our principled demands known—demands which arise from the effort to immediately rescue the talks that stand at a grave crossroads and to make the formation of a single team successful.

The attitude toward these issues that we have raised will be a touchstone of distinguishing whether the South side really intends to form a single team or opposes, in fact, the formation of a single team while paying lip service to a single team.

If your side is the least bit interested in really participating in the games in a single team between the North and South, you should sincerely accept our demands without delay.

If in the end a single team is not realized because your side will not accept these just demands of ours, despite our side's repeated calls and the unanimous demands of the people at home and abroad, it is your side that will have to take full responsibility for the consequences. This will constitute an act of leaving an indelible smear before nation and history. [end recording]

No 'Clique' Denounced for 'Heavy' Yim Sentence

SK0502234690 *Pyongyang KCNA in English*
1527 GMT 5 Feb 90

[Text] *Pyongyang* February 5 (KCNA)—The No Tae-u military fascist clique staged a verdict trial at the puppet Seoul district criminal court Monday and sentenced woman student Yim Su-kyong to 10 years and Father Mun Kyu-hyon to 8 years in prison, according to a report.

The fascist clique had kept behind bars for five months and 20 days and persecuted coed Yim who visited the northern half of the country in the teeth of repression, urged by the desire for national reunification, the cherished desire of the nation, and cried for it, and Father Mun, who escorted her to the South, before imposing heavy penalties upon them on "many" charges such as "special infiltration and escape" and "offer of military benefits" under the "National Security Law".

In the "court decision" the fascist clique charged with malice that Yim Su-kyong "defined and criticized the South as a colony of the United States and the 'regime' of the South as an anti-reunification force, without a word of criticism against the policy of the North" while visiting the northern half of the country.

Though Yim Su-kyong asserted that their deed was merely motivated by ardent desire for reunification, the fascist clique charged that the visit of Yim and Mun to the North confused its "reunification discourse".

The entire fellow countrymen are now boasting of Yim Su-kyong who did a praiseworthy work for national reunification as "the flower of reunification" and a

proud daughter of the nation and strongly demanding an immediate release of coed Yim Su-kyong and Father Mun Kyu-hyon.

Seoul Trial of Im Chong-sok Criticized

SK0602123290 *Pyongyang KCNA in English*
1001 GMT 6 Feb 90

["Outrageous Scheme Against Patriotic Student—KCNA Headline]

[Text] *Pyongyang* February 6 (KCNA)—The South Korean military fascist clique brought a suit against Im Chong-sok, a patriotic student, at the puppet Seoul District Criminal Court on February 3 to hold a murderous trial of him.

Commenting on this, MINJU CHOSON in a signed commentary today says:

Im Chong-sok led the students along a sacred patriotic road for the country, the nation and national reunification as chairman of the "National Council of Student Representatives" (Chondaehyop), a legitimate organisation of one million South Korean students. The activities conducted by him and "Chondaehyop" cannot be criminalised nor can be an object of suppression on any account.

The charges of "special infiltration and escape" under the "National Security Law" and "violation of the Law on Assembly and Demonstration" imposed upon Im Chong-sok by the No Tae-u group are all far-fetched fabrications to penalize the patriotic student.

By harshly punishing him the No group seeks to block the righteous activities of "Chondaehyop" and, furthermore, repress and stifle democratic forces for reunification, bridge over the crisis of the colonial fascist rule which is getting ever more serious due to the merger of three parties and gratify its wild ambition for long-term office.

The No group must give up the criminal scheme to penalize the patriotic student and immediately release all the illegally arrested students including Im Chong-sok and patriotic-minded figures.

Military Exercises by South, U.S. Criticized

SK0702105690 *Pyongyang KCNA in English*
1044 GMT 7 Feb 90

[Text] *Pyongyang* February 7 (KCNA)—The U.S. imperialists brought formations of "A-4" and "A-6" assault planes and an "AA-8" VTOL formation to the airforce bases of the U.S. imperialist aggression forces in South Korea from their overseas aggression bases in the Pacific region from 5 to 14 hours on February 6 and staged aerial war exercises aimed at surprise strikes at main targets in the Northern half of Korea by letting them fly in the sky above the area of the Military Demarcation Line in a planned manner, according to military sources.

Even Okinawa-based "E-3" AWACS was involved in the manoeuvres.

The U.S. imperialists brought in succession "C-130," "C-123" and "C-141" large transport planes loaded with aggression forces, combat equipment and supplies to be hurled into the "Team Spirit 90" exercises directed against the North to the airforce bases of their aggression forces present in South Korea from the U.S. mainland, Hawaii, Japan and other overseas aggression bases on February 5 and 6, whipping up an atmosphere of war.

Meanwhile, the South Korean puppets Tuesday [6 Feb] openly committed a provocation against the Northern half of Korea, firing hundreds of artillery shells at the mouth of the River Imjin adjacent to the military demarcation line with a massive mobilisation of engineering units and large-calibre artillery units of the puppet army.

These manoeuvres of the U.S. imperialists and the South Korean puppets clearly reveal their bellicose nature as warmaniacs.

U.S. Military Policy in South Decried

SK0602123190 *Pyongyang KCNA in English*
1013 GMT 6 Feb 90

[Text] *Pyongyang* February 6 (KCNA)—The Democratic People's Republic of Korea has made every possible effort for a peaceful settlement of the Korean question and steps for disarmament have been taken internationally. The time is now opportune for the United States to take a drastic measure on the question of the pullout of its troops without delay.

The United States must withdraw its aggression forces from South Korea at an early date.

Pointing out that the U.S. reactionary ruling circles are crying in chorus against the withdrawal of the U.S. troops from South Korea, a signed article of NODONG SINMUN today says:

This is a downright challenge to the Korean people and other peaceloving people across the world who are unanimously calling for the U.S. troop pullout.

The U.S. imperialists refuse to withdraw their Armed Forces from South Korea because they seek to gratify their desire for world supremacy with South Korea as a nuclear forward base.

They attach great importance to the Asia-Pacific region, South Korea in particular, in satisfying this desire.

The U.S. imperialists intend to invade the northern half of Korea and attack other socialist countries, relying on their forward Armed Forces deployed in South Korea.

Another reason why they refuse to withdraw the U.S. troops from South Korea is that they are trying to prop up their colonial rule over South Korea and back the "two Koreas" policy with strength.

The United States, with recourse to its Armed Forces in South Korea, framed up the puppet regime there and decides everything, holding the prerogative of the supreme command over the Army. Further, it has turned everything favourable to its colonial rule. The U.S. imperialists have put in the hands of the South Korean puppets every conceivable divisive plan such as "UN membership" and "northern policy" to drive them into legalizing "two Koreas". Worse still, they saw to it that a concrete wall was built to bisect one territory.

Another purpose pursued by them is to strengthen their domination and control over Japan by maintaining and strengthening their occupation of South Korea.

By clinging to the military strategy for leaving its troops in South Korea and keeping hold on Japan, the United States intends to take a firm grip on Japan as its junior ally and use it in executing its Korean and Asian policies.

With no amount of sophism can the U.S. imperialists justify the permanent presence of their Armed Forces in South Korea. They have no ground to keep their aggression forces any longer in South Korea.

Paper Comments on U.S. Military Budget

SK0702055090 *Pyongyang KCNA in English*
0515 GMT 7 Feb 90

[Text] *Pyongyang* February 7 (KCNA)—U.S. President Bush, submitting to congress a military budget bill for fiscal 1991 some time ago, manifested his intention to make haste with the modernization of the strategic nuclear attack capacity and the "Star Wars" program and maintain and strengthen the U.S. forces overseas on the up-to-the- standard level.

A commentary of NODONG SINMUN today in this regard says this reveals the U.S. imperialists' invariable design to dominate the world with strength.

Noting that the military budget tells that the U.S. imperialists continue with armament expansion to attain military preponderance and strengthen the confrontation of strength, lending a deaf ear to the ever louder voices of the U.S. public and the world's peaceloving people calling for disarmament, the news analyst says:

Loud-mouthed as they are about "disarmament" and "detente," the U.S. imperialists, in actuality, are trying to deceive and flout the public opinion at home and abroad with a tiny quantitative reduction and achieve qualitative reinforcements of the armed forces as a whole through the modernization of nuclear and conventional weapons.

Contrary to their talk about "military cuts" in South Korea and the like, they are making new shipments of nuclear weapons and supplying new-type combat equipment and weapons to the puppets to increase their warring capacity against the North.

Their advertisement about an end to the cold war and the advent of a new era of peace is, in the final analysis, a crafty ruse to conceal their confrontation policy and ambition for world supremacy.

Southern Paper Cited on Gregg's 'Manipulating'

SK0702050690 *Pyongyang KCNA in English*
0445 GMT 7 Feb 90

[Text] *Pyongyang* February 7 (KCNA)—South Korean HANGYORE SINMUN in an editorial February 2 rapped at utterances of U.S. Ambassador to South Korea [Donald] Gregg who is manipulating behind the scene the merger of the three parties—the “Democratic Justice Party,” the “Reunification Democratic Party” and the “New Democratic Republican Party.”

Gregg met with the “chairman of the Democratic Justice Party” on January 30 and blabbed that political restructuring is inevitable and the people of Cholla Provinces need to be involved in this trend. His outcries, the paper noted, fully prove that it is the United States that instigated the grand conservative coalition and indicated the “direction of political restructuring.”

Looming against the background of the South Korean political restructuring are the vested rights enjoyed by the United States in South Korea, the paper said, and added:

It is clear that Gregg, “an expert in underhand operation” who served for nearly thirty years in the U.S. Central Intelligence Agency, manipulated the three-party merger behind the scene. He must clearly know that the outside force backing the alliance of the anti-democratic forces will invite strong condemnation from the South Korean people.

USSR Technology Cooperation Anniversary Marked

SK0502221090 *Pyongyang KCNA in English*
1511 GMT 5 Feb 90

[Text] *Pyongyang* February 5 (KCNA)—The Soviet Embassy in Korea met with reporters of Korea and other countries today on the occasion of the 35th anniversary of the signing of the agreement on scientific and technological cooperation between the DPRK and USSR.

Charge d'Affaires Ad Interim of the Soviet Embassy Boris Morozov told the reporters that scientific and technological cooperation is taking place between scientific institutions and in various domains of the two countries.

Stating that scientific and technological cooperation is developing in a new direction, he outlined the prospect of its further development.

Japanese 'Critic' Denounces 'Team Spirit'

SK0702050090 *Pyongyang KCNA in English*
0448 GMT 7 Feb 90

[Text] Tokyo February 5 (KNS-KCNA)—Japanese military critic Haruo Fujii [name as received] stressed that there can be no change in the offensive and provocative nature of the “Team Spirit 90” joint military exercises and it will be clearer in the course of the exercises.

CHOSON SINBO February 2 carried his article titled “Unchangeable Aggressive and Offensive Nature of ‘Team Spirit’”.

Recalling that large forces more than 200,000 strong participated in the joint military exercises staged every year, he said that though it was announced that some 180,000 troops would participate in the exercises this year, it is a formal “reduction” which is no more than a “propaganda”.

There is an ample ground to assert that the main structure of the “Team Spirit” remains unchanged at present juncture, he said.

The designers of the “Team Spirit” joint military maneuvers that started in 1976 regard the Korean peninsula as a focal point of aggressive policy and attach great importance to South Korea as a bridgehead for continental aggression, he said, and stressed: This war game has repeatedly been staged in the direction of strengthening the military integration of the United States, Japan and South Korea.

Saying that “Pacex 89” joint military exercises staged last year were large scale military maneuvers participated in by the U.S., Japanese and South Korean troops, he noted that the war gamble was an extremely offensive one.

Unless the way to disarmament is opened by the efforts of the people, peace on the Korean peninsula and Asia can not be achieved, he stressed.

Film Show Marks Vietnam Anniversary

SK0502220890 *Pyongyang KCNA in English* 1519 GMT
5 Feb 90

[Text] *Pyongyang* February 5 (KCNA)—A film show was held here today on the 60th founding anniversary of the Communist Party of Vietnam.

Present there were Yi Kwan-su, vice-chairman of the education commission and chairman of the Korea-Vietnam Friendship Association, O Mun-han, vice-chairman of the Korean Committee for Cultural Relations with Foreign Countries, and other officials concerned and working people in the city.

Vietnamese Ambassador to Korea Nguyen Van Trong and his embassy officials were present on invitation.

They appreciated a Vietnamese feature film.

Choe Tae-pok Attends 'Three-Revolution' Meeting
SK0602050990 Pyongyang KCNA in English
 0452 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—A meeting of three-revolution teams was held in Pyongyang Monday to vow to implement the tasks set forth by the great leader President Kim Il-song in his New Year address and the decisions of the 17th Plenary Meeting of the Sixth Central Committee of the Workers' Party of Korea [WPK].

Choe Tae-pok, secretary of the Central Committee of the WPK, delivered a report which was followed by speeches.

The reporter and speakers said that members of three-revolution teams are confronted with heavy yet honorable tasks at the present time when the entire people are stepping up the grand march of the '90s while waging a drive to increase production and make economies to the maximum in hearty response to the militant call of the party, and referred to the measures for their implementation.

Pointing out that the three revolutions, ideological, technical and cultural, are a fundamental way to effect a grand revolutionary upsurge in the '90s and step up socialist construction, they stressed the need to give definite precedence to the ideological revolution in all domains and all units and push ahead with the technical and cultural revolutions.

They laid emphasis on conducting a drive to make the already laid economic foundations pay off profusely and achieve a high and steady rate of production through the energetic technical revolution.

The revolutionary spirit of self-reliance and fortitude and infinite devotion in carrying out the revolutionary tasks are the revolutionary stamina to be displayed by the three-revolution team members and a distinguished merit of the revolutionary vanguard, they said. They hardened their determination to devote all their strength, wisdom, energy and talents to the implementation of the decisions of the party plenary meeting in the spirit of absoluteness and unconditionality in carrying out the party's policies.

A resolution was adopted at the meeting.

Symposium on Chongsanri Spirit, Method Held
SK0702002890 Pyongyang KCNA in English
 1519 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—A central symposium marking the 30th anniversary of the creation of the great Chongsanri spirit and method was held today at the People's Palace of Culture.

The symposium was attended by Choe Tae-pok, secretary of the Central Committee of the Workers' Party of Korea, and officials concerned.

Recalling that the respected leader President Kim Il-song created the great Chongsanri spirit and method through his on-the-spot guidance to Chongsan-ri and Kangso County 30 years ago, speakers at the symposium said the creation of the Chongsanri spirit and method was the birth of the most scientific and revolutionary idea and method of mass guidance correctly combining the party's leadership and revolutionary mass line through the brilliant embodiment of the immortal *chuche* idea, and it was a great historical event which brought about a revolutionary turn in establishing a new system and method of work of our own style conforming to the nature of the socialist system.

As the great leader created the Chongsanri spirit and method, a system and a method of work have been established whereby to solve all problems in the socialist construction by enhancing the conscious enthusiasm of the working people, giving definite precedence to political work.

The speakers said that, with the creation of the Chongsanri spirit and method, a new system and method of work was established, which makes it possible to properly apply the principle and method of collectivism and thus successfully ensure comradely unity and cooperation of the working people and lead them to display boundless devotion and mass heroism for the development and prosperity of the collective.

Consummated in the Chongsanri spirit and method are the principle of closely uniting all the members of society around the party and the leader by educating and remoulding them and of believing in the strength of the popular masses and resolving all the questions in reliance upon their strength and wisdom and the method of the higher body helping the lower and the superior assisting those under him.

Chongsan-ri Spirit 'Superior Method of Work'
SK0702105090 Pyongyang KCNA in English
 1034 GMT 7 Feb 90

[Text] Pyongyang February 7 (KCNA)—The great Chongsan-ri spirit and method, the unique idea and method of mass guidance which are based on the immortal *chuche* idea and embody the revolutionary mass line of our party, are the most superior method of work which makes it possible to successfully build socialism.

NODONG SINMUN today declares this in a signed article on the lapse of 30 years after the great leader President Kim Il-song gave on-the-spot guidance to Chongsan-ri and created the Chongsan-ri spirit and method.

The article says:

The Chongsan-ri spirit and method give a perfect answer to the question of mass guidance which must be resolved without fail for the successful building of socialism.

The Chongsan-ri spirit and method are the most powerful method of work which makes it possible to strengthen close bonds of kinship between the party and the masses.

The method sets it forth as the fundamental principle for the party and the state to assume full responsibility for the life of the people and demands that they go among the people and take into consideration their will and desire above all when they adopt a decision and set a goal.

That is why the officials and the masses always share sweets and bitters in the course of embodying the Chongsan-ri spirit and method and a genuine policy for the interests and happiness of the people is shaped and, eventually, the trust of the masses in the party grows deeper.

The Chongsan-ri spirit and method are also the most viable idea and method of mass guidance which make it possible to give full play to the wisdom and creative ingenuity of the masses in socialist construction.

The Chongsan-ri method is not a method of relying on the strength of individuals but a method of relying on the strength of the organisation and collective and on the broad masses. It is not a working method of putting main stress on material incentives but on political and moral incentives in rousing the revolutionary zeal of the people.

If we strictly maintain the Chongsan-ri spirit and Chongsan-ri method, it is possible to solve the problem of definitely turning the work of implementing the party policy into a work of the popular masses themselves, give full play to collective democracy and fully solve the problem of properly combining political guidance with economic and technological guidance and the unified guidance of the state with the creativeness of each unit, democracy with unitary guidance, political and moral incentives with material incentives in guiding and managing the economy. In this way the Chongsan-ri method will display its eternal vitality in the future.

Particularly, the Chongsan-ri method makes it possible to thoroughly overcome bureaucratism by enhancing the level of guidance of the officials and energetically accelerating their revolutionization and working-classization. In our country, with the successful embodiment of the Chongsan-ri spirit and method in economic management, all the economic work is developed by collective efforts under the unified plan of the state, the higher and lower bodies, the superior and inferior and the producers learning from each other and teaching each other. And subjectivism of economic organs and enterprises, selfishness of producers and local selfishness have been strictly overcome.

Reality shows that the way of fully displaying the advantages of the socialist planned economy and rationally operating economy does not lie in an administrative work method or individualistic method but lies in the

revolutionary method of properly combining the centralistic guidance with the creativity of the popular masses like the Chongsan-ri method.

'Beautiful Birds' Flock to Mt. Paektu Camp

SK0502221490 *Pyongyang KCNA in English*
1506 GMT 5 Feb 90

[Text] *Pyongyang February 5 (KCNA)*—Great tits [titmice], wild pigeon and many other beautiful birds are flocking to the forests around the Mt. Paektu secret camp.

According to the data available, some 140 kinds of birds beautiful in color and chirp flew there in the May-September period last year.

Ornithologists have come to the conclusion that the flocking of many kinds of birds to the secret camp is a result of conversion of the pure forest into a mixed forest through the extensive planting of trees around the secret camp and the installing of over 1,000 nests by school youth and children.

Construction at Vinalon Complex Progressing

SK0702051690 *Pyongyang KCNA in English*
0440 GMT 7 Feb 90

[Text] *Pyongyang February 7 (KCNA)*—The second-stage project of the Sunchon Vinalon Complex, a chemical giant of the country, is progressing at fast speed.

The construction speed as a whole has increased 80 percent as against that at the beginning of the second-stage project.

The builders of the vinyl chloride factory are pushing ahead with concrete tamping at the final stage after finishing the vast-scale groundwork excavation in ten days.

And they produced hundreds of cubic metres of pre-fab parts and assembled a large quantity of steel structures.

The builders of the caustic soda factory have created an unprecedented speed in constructing the buildings of the electrolytic process, hydrochloric acid process, a compressor house and a pumping station.

Those in charge of the second-stage project of lime kilns completed the groundwork of lime kilns nos. 7 and 8 in a short period by introducing an advanced construction method, and carried out more than half of the assembling of the kiln bodies and mechanical room project.

In the expansion project of the fuel processing base, the assembling of the briquette vertical kiln no. 2 nearly 50 metres high is being stepped up at the final stage and the ground work of the chemical machinery branch factory has been completed in the main and signal success is being registered in the construction of the outdoor sheet metal processing ground and of the network of technical installations.

The looks of the Sunchon Vinalon Complex are changing every day thanks to the energetic efforts of the builders.

Ore Output Increased by 80 Percent at Complex

*SK0602002890 Pyongyang KCNA in English
1508 GMT 5 Feb 90*

[Text] Pyongyang February 5 (KCNA)—The Musan Mining Complex, the biggest iron ore mine of Korea, has increased the daily average output of iron headings more than 80 percent above that toward the end of last year. And the amount of ore excavation and transport have risen 2.3 and 1.3 times respectively.

The state attaches great importance to this mine in increasing the production of iron headings.

State investments have largely been increased to bring the iron headings output at the mine to 10 million tons for the present and to 15 million tons in the future.

The expansion of the capacities of some 30 objects and the construction of dressing plant no. 3 are making headway briskly at the complex.

The capacity of the dressing plant under construction with a total floor space of tens of thousands of square metres is nearly equal to the capacities of the two existing dressing plants put together.

It is being replenished with modern mining equipment.

The new mining equipment supplied this year following last year is equal to the existing major mining equipment in capacity.

Agricultural Production Yield Increased in 1989

*SK0702004090 Pyongyang KCNA in English
1507 GMT 6 Feb 90*

[Text] Pyongyang February 6 (KCNA)—A great progress was made in agricultural production in Korea last year which marked the 25th anniversary of the publication of the rural theses.

The per hectare yield of grain reached nine to ten tons or above on many cooperative farms in intermediary and mountain areas, not to speak of plain areas on the west coast.

Mangyongdae and Hyongjesan Districts, Pyongyang, gathered in an average of more than nine tons of paddy rice from each hectare.

The average per hectare yield of paddy rice hit the high of more than 10 tons on the Mangyongdae and Chilgol Cooperative Farms, 9.6 tons on the Kumchon Cooperative Farm and 9.2 tons on the Haksan Cooperative Farm.

The Ihyon Cooperative Farm, Sadong District, reported 9.2 tons of rice and the Sinha Cooperative Farm, Sangwon County, 9.1 tons of rice and 9.3 tons of maize from each hectare.

The per hectare yield of maize averaged more than ten tons on the Sogok Cooperative Farm, Sinhung County, South Hamgyong Province, and 9.3 tons on the Ponghung Cooperative Farm, Kumya County.

Many counties of the country produced more grain last year than the previous year.

Sukchon County turned out 30,000 more tons of grain, Mundok County 17,000 more tons, Yongchon County 16,000 more tons, Chaenyong County 14,000 more tons, Pyongwon County 12,000 more tons and Anak County 10,000 more tons last year than the previous year. These plain areas on the west coast have reaped a good harvest every year.

Kumya County, South Hamgyong Province on the east coast, produced 30,000 more tons and Hongwon County 10,000 more tons of grain last year than the previous year, while Saepol County, North Hamgyong Province, situated at the northern tip of Korea increased grain harvest 14,000 tons.

Many cooperative farms including the Oguk Cooperative Farm, Anak County, South Hwanghae Province, the State Anak Farm and the Yaksu Cooperative Farm, Kangso District, Nampo Municipality, joined the ranks of the farms producing 10,000 tons of grain.

The agricultural working people of Korea are now stepping up farming preparations with confidence in another bumper harvest this year.

Rural Villages Prepare for Farming

*SK0702002490 Pyongyang KCNA in English
1501 GMT 6 Feb 90*

[Text] Pyongyang February 6 (KCNA)—Preparations for this year's farming are in full swing in the rural districts of Korea.

Seeing enormous reserves of higher grain production in increasing the fertility of soil, the agricultural working people are concentrating efforts on producing manure and carrying it out to the fields, while carpeting fields with fertile soil and ameliorating land.

In recent 20 days South Hwanghae Province turned out 770,000 tons of manure, an increase of 5,000 tons above the comparable period toward the close of last year, and increased the output of Hukposan fertilizer 2.4 times, the amount of the manure carried out to the fields 4.4 times and the area spread with fertile soil 2.5 times in the same period.

The cooperative farms in Unjon County, North Pyongan Province, produced 20,000 more tons of manure than last year and carried it out to the fields.

In Nampo Municipality the area carpeted with fertile soil is 20 percent, that of improved damp soil 40 percent and the amount of materials secured for cold-beds 50 percent up on the like period last year.

Efforts are being made to store sufficient water for this year's farming.

*** Editorial Urges Youth To Champion Collectivism**

902C0084A Pyongyang NODONG CHONGNYON
in Korean 11 Nov 89 p 1

[Editorial: "Let Us Put Great Efforts Into Strengthening the Indoctrination in Collectivism Among the Youth"]

[Excerpts] Our party teaches today that greater efforts than ever before be put into strengthening ideological indoctrination for youth.

One of the questions arising importantly in ideological indoctrination for youth is that of strengthening the indoctrination in collectivism among them.

The indoctrination in collectivism is an important part of communist indoctrination which, making people hold dear the organization and the collective, and possess the communist attitude and viewpoint of devotedly struggling for the sake of society and the people, builds the working-class character that lives and takes action in a manner consistent with the intrinsic demands of the socialist, communist society.

Collectivism is one of the most intrinsic characteristics of a communist. In order to become a communist, everyone must learn to hold the interests of the people, the interests of society and the collective dearer than their own private interests. Only by strengthening the indoctrination in collectivism is it possible to bring up the youth into genuine, chuche-oriented communist revolutionaries who go forward devotedly fighting for the sake of the independence of the masses of people, holding the interests of society and the collective dearer than private interests.

Collectivism is also the basis for a socialist, communist social life. The socialist, communist society is a society wherein all members of the society, unite solidly as in a big family, and help each other and lead each other on, going forward closely cooperating toward common objectives and ideals. Only by holding the collectivist spirit can one live and go forward struggling in a manner consistent with the intrinsic demands of the socialist, communist society and become a genuine member of this society. Moreover, for the youth who, entering the socialist society as new masters for the next generation, will carry on the revolution this arises as an even more urgent demand.

Strengthening the indoctrination in collectivism among the youth also has an important significance in further heightening the intense organizational spirit and disciplinary character of the Korean youth who are solidly united around the party and the leader. The might of the

Korean youth energetically demonstrated through the 13th World Festival of Youth and Students was none other than the might of unity, the might of collectivism. When we thoroughly arm the youth with the collectivist spirit, we can also go forward making their organizational spirit and disciplinary character come even more alive, and consolidating the ranks of our SWYL [Socialist Working Youth League] more thoroughly into the ranks of invincible unity.

Strengthening the indoctrination in collectivism among the youth is an important task urgently arising from such demands. Therefore, SWYL organizations must put great efforts into strengthening the indoctrination in collectivism among the youth to suit the demands of the developing realities.

The dear leader Comrade Kim Chong-il pointed out: "We must strive to make all youths and juveniles from childhood faithfully participate in the organizational and collective life, hold the interests of the organization and collective dearer than private interests, and devotedly struggle for the sake of the interests of the organization and collective."

What is most important in collectivist indoctrination is that of striving to make all youths faithfully participate in the organizational and collective life.

The people's life in a socialist society resting on collectivism is, it may be said, essentially the collective life of members of society with common status and objectives. The life of the working people who labor in factories and on cooperative farms is a collective life, and so is the school life of the students. Home life, too, as an extension of such collective life, may be viewed as the collective life being lived in a cell of society. And in our country the youth, every one of them enrolled in SWYL organizations, are taking part in organizational life. Apart from this organizational life, the youth cannot sustain and add luster to the priceless political life they have received and embraced from the party and the leader.

In the final analysis, in our society there cannot be life apart from the organizational life, the collective life. Therefore, in conducting indoctrination in collectivism for the youth, efforts must, above all, be put into making them faithfully participate in the organizational and collective life. In this way all youths must always be made aware that they are members of the organization and collective, and they must abide by the communal standards of the organization and collective and voluntarily observe the organizational standards in their everyday life, work, and school.

In particular, the youth must be made to faithfully participate in the SWYL organizational life. Having the revolutionary view of the organization properly established for the youth, they must be made to hold the correct viewpoint that apart from the organization they cannot be connected with the leader in kindred ties nor can they enjoy the everlasting sociopolitical life. By so

doing the youth must be made to hold the SWYL organization dear, approach it with solemnity, and hold as an inviolable iron rule that they will live always abiding by the organization.

What is important in the indoctrination in collectivism is also that of making the youth hold the interests of the organization and collective dearer than private interests and devotedly struggle in the interest of society and the people.

To say to devotedly struggle in the interest of society and the people means to dedicate oneself positively to the common cause of social progress and independence of the masses of people. Precisely herein are private interests guaranteed. This must be clearly understood by the youth, they must be made to hold, as did the anti-Japanese revolutionary fighters and heroes of the Fatherland Liberation War, the interests of the organization and collective above private interests.

Here it is important, above all, that the youth be indoctrinated in such a way as to dedicate themselves positively to the struggle for the implementation of the party line and policy. Without hoping for any honor or remuneration but solely fulfilling faithfully the revolutionary duty assigned to oneself, to go forward implementing the party line and policy thoroughly without deflection, to offer even one's life without hesitation if necessary—precisely this is a noble manifestation of the collectivist spirit of devotedly struggling in the interest of society and the people. The lives of unsung heroes is an excellent example of this. Therefore, SWYL organizations must make the youths grow up into bona fide functionaries who, positively learning from the example of unsung heroes and attaining their noble state of mind, go forward dedicating their all quietly for the sake of society and the people.

Beautiful laudable communistic deeds are presently blossoming among our youth, such as the fact that with a warm revolutionary camaraderie they have formed families with disabled veterans who have become invalids in the service of the fatherland. This also is a noble manifestation of the collectivist spirit making one intent on dedicating oneself for the sake of a comrade, for the sake of society and the people. SWYL organizations must direct careful attention to positively encouraging such laudable deeds among the youth and fostering their development.

In order to indoctrinate the youth in the collectivist spirit in this manner, it is important that their view of the collectivist life be properly established for them. [passage omitted]

The collectivist outlook on life is one in which, linking one's destiny to the destiny of the collective, fulfillment and happiness is achieved in living with the struggle for the collective. When holding the collectivist life outlook, one comes to highly display its spirit of holding the interests of the organization and collective dearer than private interests and going forward devotedly fighting

for the sake of the organization and collective, society and the people. Therefore, commendably making the youth see the truth that collective life is dearer than life as an individual, and that life does not end with the end of one's individual life but lives on eternally with the collective, they must be made to embrace it as none other than their outlook on life—to live and fight on, holding the collectivist spirit.

In order to strengthen the indoctrination in collectivism among the youth, it is imperative to direct close attention to making them go forward thoroughly embodying in work and life the slogan "one for all, all for one!" This slogan is a priceless guiding principle that illuminates the basic principle of the socialist—communist social life resting on collectivism. SWYL organizations, commendably instilling in the youth the profound thought contained in this slogan, must make them go forward thoroughly embodying this principle in all aspects of social life.

There can be various opportunities for indoctrinating the youth in the collectivist spirit. Various mass movements such as the youth shock brigade movement are such opportunities; in particular, mass gymnastics provides a very good opportunity. Therefore, when conducting mass gymnastics, deep attention must be directed to making the youth positively participate in it and fostering the collectivist spirit more thoroughly, in the process.

It is also important to conduct the indoctrination in collectivism in close combination with the ideological struggle against individualism and egoism.

It goes without saying that there does not appear to be a reason for individualism and egoism to take hold with our youths, a rising generation which has been born in a socialist society and is growing up in it. However, subjected to the influence of the ideological dregs left behind by the old society, they can be seriously affected by them. Should this come to pass, putting private interests ahead of collective interests might surface, and such unwholesome elements as the desire for fame, ambition for advancement in life, and materialistic greed might come into being. In particular, if materialistic greed overtakes one, he will come to think only of his own private interests, oblivious of the organization, collective and other comrades. He might follow the wrong road, and what is more, even come to be played for a sucker by evildoers. Therefore, energetically launching the struggle against individualism and egoism among the youth is an imperative in preventing any such element from surfacing. [passage omitted]

When the youth are thoroughly armed with the collectivist spirit, the might of our SWYL ranks will be strengthened further, and this will contribute positively to consolidating and developing a most superior socialist system in our country.

All SWYL organizations and functionaries, well aware of this, must continue to put great efforts into strengthening the indoctrination in collectivism among the youth.

*** S&T Cooperation, Ventures With USSR Continue**

902C0072A Seoul NAEWOE TONGSIN in Korean,
No. 664, 3 Nov. 89 p 1-4

[Text] North Korea and the Soviet Union have recently begun strengthening their multifaceted, substantial cooperation in economic, scientific and technological areas.

The North Korean media reported that from 20-22 October in Moscow, North Korea and the Soviet Union held the 23d conference of the "Committee for Mutual Assistance in Economics, Science and Technology," which is a permanent organization dealing with issues of cooperation in the areas of economic development, trade, science and technology, and discussed issues of cooperation in the future while examining cooperative projects currently in progress.

Attending the meeting were: (North Korea) Vice Premier Kim Pok-sin, who has been visiting Moscow since 19 October, Vice Minister of External Economic Affairs Kim Chong-u and other high-ranking economic representatives, and Ambassador to the Soviet Union Kwon Hui-kyong; (USSR) First Deputy Chairman of USSR Council of Ministers Presidium Vladilen Nikitin, and concerned authorities and Ambassador to North Korea Gennadiy Bartoshevich.

Details of the discussion and agreements at the meeting have not been disclosed; however, since the Soviet Union's 1986-90 assistance programs for North Korea in economics, science and technology are nearly concluded, they seem to have focused on cooperation issues for the future based on the outcome of the cooperative projects thus far, while discussing issues associated with joint projects and ventures currently being developed as a new form of cooperation.

At the same time, categorical cooperation between North Korea and the Soviet Union have recently become particularly visible. In the area of fisheries, it is reported, the North Korean Fisheries Committee and the Soviet Agency for Protection of Fish and Meat agreed on a protocol at a Conference for Mutual Fishery Rights on 1 October in Pyongyang.

It appears that this fishery agreement involves issues of mutual protection of marine resources and common fishing grounds.

In 1956, both countries signed an agreement on the use of marine resources in the waters of the Pacific northwest. Since then, they have cooperated in the jointly controlled waters in the areas of fishing, development of marine resources, and technological cooperation, and they have held an annual conference of the Joint Fisheries Committee alternately in Pyongyang and Moscow to discuss further developments in this area.

Particularly, in March 1988, they established the Office of Fisheries Representatives in Pyongyang and Nakhodka, thereby strengthening their cooperation in the fishing industry.

In light industry, too, both countries have been strengthening their cooperative ties based on the 1987-90 cooperation agreement on the production of light industry products, and they have recently established a joint North Korea-USSR enterprise for clothing in Najin City, North Hamkyong Province.

At the end of 1986, they signed a cooperation agreement on the manufacturing of light industry products for the period of 1987-90 and for a period lasting until the year 2000, thereby laying the groundwork for mid- and long-term cooperation in this area. This gave a boost to the development of joint projects in the light industry sector.

With the support of design, technology and facilities from the Soviet Union, North Korea has built two textile plants, and is engaged in the development of joint enterprises using the so-called OEM [original equipment manufacturing] method, in which North Korea imports raw materials and technologies from the Soviet Union and then manufactures such daily necessities as clothes, knitted items and shoes for export to the Soviet Union.

Under this method, North Korea reportedly plans to produce 230 million units of clothing products, 5 million units of knitwear and 13 million pairs of shoes until 1990.

In the case of the electric power industry, a group of North Korean delegates led by the chairman of the North Korean Electric Power Industry Committee has recently visited the Primorskiy area in the Soviet Union and has reportedly discussed with Soviet authorities in this industry ways to strengthen their cooperative ties. At present, North Korean power plants that are either completed or under construction with support from the Soviet Union include Pukchang Thermoelectric Power Plant and other thermoelectric power plants in Pyongyang, Ungki, Chongchin, and Tongpyong, and it is said that they depend heavily on support from the Soviet Union, including for equipment and facilities.

In the chemical industry, Vice Premier and Chairman of Chemical and Light Industry Committee Kim Hwan reportedly led a group of delegates to the Soviet Union in early September to promote cooperative ties.

In this area North Korea has imported some of the equipment and technologies for construction of the Sunchon Vinalon Joint Factory, which is one of the key projects North Korea is pursuing, and the first phase (about 50,000-ton scale) of the construction has been completed on 11 October.

In the machine industry, it was reported, the Huichon-Gorkiy Joint Factory, which is a joint operation between the Huichon Machine Tool Factory of North Korea and the Gorkiy Machine Tool Manufacturing Plant of the

Soviet Union, commenced a partial operation on 10 October and has begun production work. The construction of this factory, which was built within the Huichon Machine Tool Plant in Chagangdo, was begun early last year with the aim of manufacturing 5,000 units of machine cutting tools per year. In this project, North Korea's role was in the construction of buildings while the Soviet Union provided all kinds of equipment.

It is reported that in an effort to make this factory productive, North Korea has dispatched a large number of North Korean technicians to Gorkiy for training, and that the Soviet Union has placed a group of about 40 technicians, including designers and factory workers, as a permanent staff in the factory.

In addition, it has been revealed that in order to back up such projects resulting from the expansion of economic exchanges, North Korea and the Soviet Union are actively promoting scientific and technological exchanges.

In June, a group of delegates led by the Vice Chairman of the State Science and Technology Committee Han Sang-pyo visited the Soviet Union to discuss promotion of scientific and technological exchanges. This was followed by visits of North Korean delegations in the field of science and technology to Moscow in August and September—a particularly noticeable trend.

It is thought that these series of visits of the North Korean S&T delegations to the Soviet Union involved discussions aimed at promoting the exchange of science and technology in a wide range of areas, such as: technological assistance in production and processing of agricultural and marine products in connection with development of the Siberian region, which is currently in progress; assistance in technology and equipment in the Soviet-assisted construction projects in North Korea, including the expansion of the Kimchaek Steel Plant, construction of the East Pyongyang Thermoelectric Power Plant, and construction of nuclear power plants; assistance in geological survey projects along the continental shelf of the east coast; joint research projects in the natural sciences; and exchanges of scientists and technicians.

In particular, it was reported that during the visit of the Han Sang-pyo group in the middle of September, a protocol was signed defining the details for cooperative exchanges in science and technology. These exchanges have already been discussed twice in the 22d meeting of the Subcommittee for Mutual Assistance in Science and Technology, which is a permanent council for cooperation.

This recent trend of strengthening the multifaceted, substantial cooperation and exchange in economic, scientific and technological areas between North Korea and the Soviet Union reveals that North Korea urgently needs, and is depending on, Soviet support in order to satisfactorily carry out its Third 7-Year Plan (1987-93),

despite the so-called *chuche* economic construction using a self-reliance method.

It can be said that while the Soviet Union is solidifying its alliance with North Korea by strengthening its economic support, it also intends to strengthen the measures needed to ease the North Korean concerns over the growing exchanges between the Soviet Union and South Korea.

South Korea

North-South Sports Talks End Without Success

SK0702064790 *Seoul Domestic Service in Korean*
0500 GMT 7 Feb 90

[Text] The North-South sports talks that have continued since last March for forming a single team to participate in the Asian games to be held in the coming fall in Beijing, China, have virtually been broken up.

Reporter Paek Nak-pom is now at the Administrative Office for the North-South Dialogue.

[Begin Paek recording] In the ninth round of the North-South sports talks that began at 1000 this morning at Panmungak located in the area of our side at Panmunjom, the North Korean side argued that the South Korean side had no intention to form a single team from the beginning, laid blame for the breakup of the talks on the South Korean side, and demanded that the South Korean side make public at home and abroad that it would not unilaterally participate in the Beijing Games.

In the meantime, the North Korean side also called on the South Korean side to withdraw the supplementary provisions that the South Korean side has already put forward as a device to ensure the implementation of the agreements, adding that a sports official of our side should recant and apologize for his remarks that South Korea will participate in the Beijing Games alone, and made it clear that it had no intention to advance the North-South sports talks any further.

With the head of the North Korean side's delegation Kim Hyong-chin making it clear that the North Korean side would not come to the talks unless these three sets of demands are met, the possibility of the North and South participating in the Asian Games in Beijing as a single team is completely out of the question.

Meanwhile, senior member of our side Chang Chung-sik said at today's talks that the North Korean side was not serious about today's talks and had gone so far as to rudely and unilaterally ask for the repudiation of the supplementary provisions put forward as a device to ensure the implementation of the agreements.

After saying that the sports talks should never be made an instrument in blocking the opposing side's participation in international sports talks, senior member Chang suggested that the issue of interpreting the words of the agreement, of ensuring the unilateral participation in the

games in an inevitable case, and the timetable for the formation of a single team be discussed at today's talks. The North Korean side, however, ignored his suggestion and, as a result, today's talks came to an end after two hours and 15 minutes.

In this way, our dream for participating in the Beijing Asian Games as a single team has gone up in smoke after 11 months, nine full-dress round of talks, and six working-delegation contacts, since the first round of talks began on 9 March last year. [end recording]

YONHAP on Talks

SK0702074890 Seoul YONHAP in English 0734 GMT
7 Feb 90

[Text] Panmunjom, Korea, Feb. 7 (YONHAP)—North Korea broke off contact with South Korea on forming a single Korean team to the Beijing Asiad on Wednesday, bringing to nought 15 rounds of main and working-level talks spread over 11 months.

The two sides had broadly agreed on forming the joint team and it seemed that a final agreement was in sight.

Chief northern delegate Kim Hyong-chin declared the collapse in the ninth main meeting, saying there was no use in continuing the talks unless South Korea accepted three principles tabled by the North immediately.

The three new conditions, dismissed as "unreasonable," were that South Korea agree not to participate in September's Asiad as a separate team under any circumstances, that it withdraw its call for an addendum on the implementation of agreements reached in previous talks and that a South Korean sports official withdraw his remark on South Korea's plan to compete in the Asiad separately.

Chang Chung-sik, the South's chief delegate, said the inter-Korean sports talks should not be used to block the other side's participation in international events.

He urged the North to accept the South's call for a guarantee of implementation of the agreements on forming a single team and a guarantee of separate participation if a joint team cannot be fielded.

Sports officials of the two Koreas have held nine main meetings and six rounds of working-level contacts since the two sides first met on March 9, 1989, to discuss sending a joint Korean team to the Beijing Asian Games.

The two sides had agreed on all 10 major points, including the team's name, flag, anthem, selection of athletes and leadership.

The talks had been stalemated since the North refused to accept the South's call for a device to guarantee implementation of the agreed points on the formation of the single team.

The South noted that a device to guarantee implementation was absolutely necessary, pointing out the precedent that North Korea blocked South Korea from participating in the 1979 World Table Tennis Championships in Pyongyang as a separate team.

After the meeting, Chang told reporters he thought the collapse was virtually irreparable.

It would be a matter of "international courtesy" for South Korea to participate in the Beijing Asiad in any form—either as a separate team or a joint team with North Korea—considering that China participated in the 1986 Asiad and 1988 Olympics hosted by Seoul, he said.

Chang further said, "North Korea would probably try to throw the entire blame on South Korea for the breakdown of the talks and refuse to participate in the Beijing Asiad under the pretext of acting for the national reconciliation."

North Korea's Kim charged the South with intentionally delaying the talks and engineering their collapse.

On North Korea's separate participation in the Asiad, Kim declined to give a clear answer and said, "We will continue to make sincere efforts."

ROK To Invite North to Cultural Event

SK0602081590 Seoul YONHAP in English 0750 GMT
6 Feb 90

[Text] Seoul, Feb. 6 (YONHAP)—South Korea will invite North Korea to undertake cultural exchanges and jointly host traditional folklore events Saturday in a proposal to be unveiled during a ceremony on Freedom Bridge at the edge of the Demilitarized Zone, the Culture Ministry said Tuesday.

The shamanist ceremony of "Tapkyo nori," or treading the bridge, held on the first full moon of the year by the lunar calendar, will be performed as a prayer for reunification of the Korean peninsula, the ministry said.

Tapkyo nori has not been performed on Freedom Bridge, which leads only to a no-man's land separating South and North Korea, since the division of the peninsula in 1945.

It said the announcement and ceremony will be part of a 150 minute package of traditional folklore events on the bridge over the Imjin River, which is often described as the symbol of national division, and in nearby Mangbaedan square.

The event, which begins at 5 P.M. [0800 GMT], was organized by KBS-TV and the ministry as part of an effort to restore the homogeneity of the divided nation.

He said 621 artists from 17 groups will perform mask dances and traditional music in the live broadcast.

Rice Production Held Stable To Help North

SK0602051890 Seoul THE KOREA TIMES in English
6 Feb 90 p 9

[Text] The government's agricultural policy will maintain current rice production pace despite a glut in order to help North Korea, which has a severe rice shortage, sources at the Agriculture, Forestry and Fisheries Ministry said yesterday.

The sources said rice will be a major export item to North Korea if full scale South-North Korean trade begins because the North's rice crop averages a meager 2.1 million tons a year compared to South Korea's 6 million tons.

Consumption in the South is 5.4 million tons and falling while the North, since it does not import rice, has to substitute an unknown amount of other grains to meet staple needs of the population.

North Korea would be expected to import at least 576,000 tons of rice from the South in the first stage of trade and the amount would increase, they said.

The ministry will pursue farmland development projects, including land reclamation in North Cholla Province, this year as scheduled and will seek to expand rice consumption by developing new rice products such as wines and snacks.

Report on Defection of Couple to North Monitored

SK0602052690 Seoul THE KOREA TIMES in English
6 Feb 90 p 3

[Text] The representative and a female clerk of Yongma Service Co., a transport brokerage firm, have defected to North Korea, Pyongyang's official Korean Central News Agency said Saturday.

A KCNA broadcast monitored in Tokyo said Kim Won-sok, 55, and Yu Sol-cha, 29, arrived in Pyongyang Friday via a third country while on a trip overseas.

Police, meanwhile, launched an investigation into the defection of the couple Sunday.

Yu, a divorcee who had worked at Kim's company since 1989, was found to have maintained an intimate relationship with Kim who has a wife and four children. The two lovers lived together clandestinely at an apartment in Kwangmyong City south of Seoul.

Police presume that Kim decided to defect after he went bankrupt and borrowed huge amounts of money from his relatives.

His worry that his secret love affair with the woman clerk would be exposed someday might have prompted him to defect to the North along with his mistress, police said.

Kim and Yu left Kimpo Airport for Hawaii at 2 p.m. on Jan. 14 aboard a Northwest flight. Their seat numbers were 94C and 94D, police said.

According to police, Kim met a certain Chong, a staffer of a Korean tourist company, in Rome on Jan. 19 and told him that he would return to Seoul on Jan. 26 after going to Vienna on Jan. 23-25.

Kim also made phone calls to his wife only identified as Pak, 51, telling her that he would return home before Jan. 27, Lunar New Year's Day, police said.

Kim, who was discharged from the Army as a sergeant first class in 1964, had worked as a taxi and bus driver and ran a garment firm before he opened Kuro Tourist Co., a tourist agency, in 1988.

Kim closed the company after it went bankrupt last May and opened transport brokerage firm at his house in Karibong-tong, southern Seoul, last December.

As his business bogged down, Kim mortgaged the house with a bank to borrow money recently. He was also learned to have borrowed a huge amount of money from his friends.

He withdrew 29 million won from the Korea Exchange Bank Taerim-tong branch on the day he left for Hawaii, according to police.

Academic Exchanges With North Government

SK0302071090 Seoul YONHAP in English 0623 GMT
3 Feb 90

[Text] Seoul, Feb. 3 (YONHAP)—South Korea's leading newspaper got the go-ahead Saturday to contact the North Korean Academy of Sciences about a plan to send a 20-member academic survey team to Mt. Paektu on the North's side of the border with China.

Pang U-yong, president of the CHOSUN-ILBO, was given government approval to exchange letters with Kim Kyong-pong, head of the academy, to arrange for the survey team to get an invitation.

Also Saturday, Kim Kwang-u, a medical professor at Seoul National University, won government approval to invite Ma Mun-pil, a professor of anesthesiology at Pyongyang University of Medicine, to the ninth Asia-Oceania anesthesiologic symposium in September in Seoul.

And the government gave a Christian group permission to exchange letters with Kang Yong-sop, head of the (North) Korean Christians Federation, to discuss participation by a South Korean delegation in a ceremony in Pyongyang in April to mark the dedication of Chilgol church, the second officially sanctioned protestant church in North Korea.

YONHAP Highlights Ambassador Gregg's Remarks

SK0702122690 Seoul YONHAP in English 1204 GMT
7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—U.S. Ambassador to Seoul Donald Gregg observed Wednesday [7 Feb] that a

steadfast U.S. Adherence to security commitments in the Far East would eventually contribute to changes in communist North Korea.

Delivering a lecture on "Changes in Eastern Europe and Their Implications for the U.S. and Korea" at a training session of the Korean Employers' Federation here, Gregg said, "One major reason for the present situation in Eastern Europe is the 40-year-old steadfast security commitment by the UNITED STATES and West Europe through NATO (North Atlantic Treaty Organization)."

In that context, the American diplomat said, "The United States will also adhere to security commitments in this region (Far East), which may contribute someday to similar changes in North Korea."

He hailed the "profound" changes happening in the Eastern Europe as "the most striking phenomenon of 1989" and "an extraordinary example of universal human desire for free expression."

Touching on the situation in North Korea, Gregg, however, said, "Despite our hope for change in North Korea's isolation and hostility, (we find) no evidence of positive change in North Korea."

"The opposite seems true. Their reaction to Eastern Europe is to reemphasize the power and authority of the Communist Party and especially Kim Il-song and his son," said the U.S. diplomat.

He stressed that the United States and South Korea must "remain strong, and stand together to deter war and at the same time look for signs that North Korea will adopt a more realistic attitude and increase exchanges with the South..."

He said that economic development promises to help ease tensions and bring North Korea into the global mainstream.

He pointed out that Seoul's economic success has been a "key factor" in socialist countries' desire for political and commercial contacts with South Korea.

"The generally peaceful revolution in Eastern Europe deserves political, economic and moral support of (other) nations like the United States and South Korea," he added.

President No Tae-u Postpones Visit to Japan

SK0702083490 Seoul YONHAP in English 0824 GMT
7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—The South Korean Government informed the Japanese Government Wednesday [7 February] that President No Tae-u will put off his state visit to Japan until the two countries agree on the legal status of third-generation Koreans living there.

Vice Foreign Minister Yu Chong-ha summoned Japanese Ambassador Shinichi Yanai to his office to tell him that the trip would not go ahead as hoped in the first half of the year and to express his hope for an early settlement of the issue.

The trip was postponed twice last year due to Emperor Hirohito's death and Japan's general elections.

Seoul and Tokyo have been discussing the question of Korean residents in Japan since 1965, when the two sides normalized their relations.

Seoul insists that the descendants of Koreans in Japan be given permanent resident status and no longer be fingerprinted as foreigners while Tokyo sticks to its long-held position that it cannot give preferential treatment to third-generation Koreans.

South Korea contends that they should be given permanent resident status since they are mostly descendants of Koreans who were forcibly taken to Japan during Japan's colonial rule over the Korean peninsula.

Japan Seeking To Improve DPRK Relations

SK0202115990 Seoul Domestic Service in Korean
1100 GMT 2 Feb 90

[Report by correspondent Yi Chun-pal from Tokyo]

[Text] Taking advantage of the opening of an air route between Nagoya and Pyongyang, the Japanese Government shows signs of earnestly seeking to improve relations with North Korea, including unofficial contacts with the North Korean side.

ASAHI SHIMBUN today reported that on 31 January, an official concerned at the Foreign Ministry held an unofficial meeting in Tokyo with Pak Kyong-yun, representative of Kumgangsan International Tourism Company, a window to the North Korean side, to discuss the issue of opening an air route between Nagoya and Pyongyang.

Concerning this, the Japanese Foreign Ministry said that the opening of an air route between Nagoya and Pyongyang is being promoted as part of an effort to resume dialogue with the North Korean authorities and that the Japanese Government plans not to object to North Korea's courting Japanese tourists to visit North Korea.

15 Pyongyang-Nagoya Flights Planned This Year

SK0202120090 Seoul Domestic Service in Korean
1100 GMT 2 Feb 90

[Report by correspondent Han Chun-yop from Hong Kong]

[Text] Following the test flight of chartered planes between Hong Kong and Pyongyang, (?Join the World) International Tourism Company, a tourism agency for North Korea in Hong Kong which is promoting flights of

chartered planes between North Korea and Japan, announced today that the first test flight of a chartered tourist plane linking the city of Nagoya in Japan and Pyongyang will take place on 15 March as scheduled.

(Hwang Kanhan), chief executive director of the (?Join the World) International Tourism Company, said that his company plans 15 chartered flights from Japan to Pyongyang before the end of this year, including the first scheduled test flight between Nagoya and Pyongyang.

Foreign Minister on Seeking Ties With PRC

SK0602054090 Seoul THE KOREA TIMES in English
6 Feb 90 p 2

[Text] Foreign Minister Choe Ho-chung said yesterday that the government is seeking establishment of consular ties with China, taking advantage of the upcoming Asian Games in Beijing.

Reporting to President No Tae-u on this year's business program yesterday, he said. The government will make the most of the upcoming sports event, citing that it provides a most opportune occasion to open consular ties.

Korea has virtually set up consular ties with the Soviet Union with the opening of a de facto consular office in Moscow.

Touching on the much-talked-about Korea-U.S. security cooperation, Choe said the government will start a public relations drive in the United States aimed at publicizing the importance of security ties between the United States and South Korea.

He then said the government will continue strengthening security cooperation with the United States.

Besides this, he also said he is considering setting up a body specializing in the disarmament issues, either inside the ministry or out of it.

Seoul will also make doubled efforts to seek the understanding and support of the Soviet Union and China this year to promote its admission into the United Nations.

A package of appeasement policies toward socialist countries will now thus focus on improved relations with Moscow and Beijing, which have veto powers in the international body.

"We will seek admission into the UN in the near future...Major efforts will be given to improving relations with the Soviet Union.

"Particularly, we will strengthen the activities of the newly established consular department in Moscow, while utilizing the occasion of the Beijing Asian Games in September to improve the Korea-PRC (People's Republic of China) relationship," he said in a briefing session.

Seoul is pushing ahead with plans to establish a government-to-government accord on the setup of a similar relationship with Beijing, capitalizing on a possible rush of Korean tourists to China around the Asian Games.

Minister Choe said that Seoul is moving for the early establishment of diplomatic relations with Czechoslovakia and will continue these efforts with other socialist countries as the circumstances permit. So far, it has opened diplomatic ties with Hungary, Poland and Yugoslavia.

He said that the country would seek a greater role in promoting Asia-Pacific regional cooperation and in creating a new international order of peace and cooperation in Northeast Asia in the 1990s.

In line with this program, it will seek to have a say in the ministerial meetings of the Asia-Pacific Economic Cooperation Council, inaugurated last November in Canberra. the second session will be held in Singapore in the middle of this year and the third is scheduled for next year in Seoul.

He said that the government would make "particular" efforts to deepen understanding throughout American society of the importance of Korea-U.S. security cooperation.

YONHAP Signs Agreement With Poland's PAP

SK0602125090 Seoul YONHAP in English 1229 GMT
6 Feb 90

[Text] Warsaw, Feb. 5 (YONHAP)—South Korea's YONHAP news agency and Poland's Polish Press Agency (PAP) has concluded an agreement on exchanges of news and journalists, and on promotion of technical cooperation between the two agencies.

The agreement was signed Monday [5 Feb] at the PAP head office here by Bogdan Jachacz, president of PAP, and Cho Yong-chung, president-publisher of YONHAP, who is on a goodwill visit here.

YONHAP has similar agreements with TASS and NOVOSTI press agency, both of the Soviet Union, and XINHUA news agency's Hong Kong affiliate, New China News Co., of China after Hungary's MTI (Magyar Tavisirati Iroda) news agency became the first Eastern European news agency Oct. 27, 1988, to establish official ties with it.

Poland set up diplomatic ties with South Korea in November last year just following Hungary, among East European nations, which opened its embassy in Seoul earlier in February the same year.

YONHAP, which has relayed news dispatches from Third World countries to South Korea's domestic news media through the hookup of the Asia-Pacific News Network (ANN), will seek to promote and expand its contacts with as many Eastern European news agencies as possible on a gradual basis.

Samsung To Sell to East-Bloc Governments

SK0502090490 Seoul YONHAP in English 0853 GMT
5 Feb 90

[Text] Seoul, Feb. 5 (OANA-YONHAP)—Samsung Electronics Co. of South Korea announced Monday [5 Feb] the exchange of a memorandum of agreement with the Polish Telecommunications Ministry to sell telephone switching equipment and with two Hungarian companies to set up a joint venture to make the equipment.

Under the accord with the Polish Ministry, Samsung will export 50 million U.S. dollars worth of switching equipment (50,000 to 60, 000 lines) on a turn-key basis, and co-produce such components and equipment as cables, telephone sets and facsimiles, a company spokesman said.

If the Poles are happy with the result, Samsung is likely to take part in setting up local telecommunications networks and give technical assistance to Polish makers, he said.

The Ministry will inform Samsung of its requirements for the installation of the switching equipment by the end of February, and in response, Samsung is to submit detailed plans to the Ministry by the end of April, according to the spokesman.

Subsequent consultations between the two sides will decide additional exports as well as co-production and technology transfer.

Hungary's Orion Radio and Electrical Works and Samsung will jointly take part in the Hungarian Government's international tender for installing switching equipment of 40,000 lines worth an equivalent of about 50 million dollars.

If the joint tender wins the bid, Samsung and its Hungarian partner will build a plant to make the switching equipment.

With the Hungarian organization control (The Cooperative for Electronics and Computer Technology), Samsung will propel a wide range of telecommunications projects such as setting up a private automatic electronic exchange.

Samsung sees a bright future for its business with the two countries as Poland plans to establish 400,000 lines in the coming five years and Hungary is to pour more than 4 billion dollars into a 10-year telecommunications modernization project from this year.

Samsung exported 5.3 million dollars worth of switching equipment (6,000 lines) to the Philippines in 1988 on condition that the Korean government provide loans to the Philippines on a government-to-government basis.

On the same basis, Samsung's projects with the two East-Bloc countries will be backed up by the Korean

Government's economic development cooperation fund, which is likely to be approved this month after government confirmation.

Lotte Group To Establish Enterprises in USSR

SK0602070190 Seoul HANGUK ILBO in Korean
6 Feb 90 p 7

[Text] For the first time as a marketing enterprise among the Western countries, the Lotte Group agreed with the USSR Government to establish a department store, and an instant noodle [ramyon] and snack factory in the Soviet Union.

Also, Lotteria, a fast food store of the Lotte Group will advance into the Soviet Union. Lotteria will become the second Western fast food store following the opening of the U.S. McDonald's in the Soviet Union.

On 5 February, according to related enterprises, it was learned that the Lotte Group invested 50 billion won to open up Lotte Department stores and Lotteria stores in Moscow, Leningrad, and Alma Ata. These will go into regular business sometime in March.

Along with this, a 50:50 joint ramyon and snack factory will be established in Alma Ata between the Lotte Group and its Soviet counterpart.

El Salvador Envoy to Seoul Announced

SK0402051290 Seoul THE KOREA HERALD
in English 4 Feb 90 p 2

[Text] El Salvador has notified Seoul of the appointment of Ernesto Arrieta Peralta as the head of its resident embassy in Seoul to open next month, the Foreign Ministry announced yesterday.

Amb. Arrieta has worked as ambassador to Tokyo, also accredited to serve for Seoul.

Born in 1941, the ambassador is a career diplomat. Formerly, he headed the El Salvadoran Embassy in France, Colombia and Honduras.

When the embassy opens, the number of embassies of Central and South American countries in Seoul will increase to 17.

Students Sentenced for Firebombing U.S. Base

SK0402032590 Seoul THE KOREA TIMES in English
4 Feb 90 p 3

[Text] Kunsan, Chollabuk-to—A local court sentenced two students to 18 months in jail Friday [2 Feb] for hurling firebombs at an American air base near here and staging illegal rallies to demand the withdrawal of all U.S. forces from Korea.

The students are Yi Kil-yong, 24, president of the Kunsan University Student Council; and Chon Pong-ku, 25, a business administration senior.

Judge Pang Kuk-song of the Kunsan branch of the Chonju District Court also convicted three other Kunsan students, including Pak No-chan, an international trade senior, on the same charges but freed them by suspending their one-year jail terms for two years.

The judge said that Yi and Chon must be punished since they illegally organized several violent rallies over the past two years in violation of the Law Governing Assemblies and Demonstrations.

Country To Be Represented at '91 Telecom Exhibit

SK030201090 Seoul THE KOREA TIMES in English 3 Feb 90 p 3

[Text] Korea has decided to participate in Telecom '91, the 6th World Telecommunications Exhibition and Forum which will be held in Geneva for nine days from Oct. 7 next year, the Communications Ministry said yesterday.

A ministry official said the Korea Pavilion, to be built on a lot of 1,160 square meters, will accommodate 11 participating companies. According to the organizers of the quadrennial event, about 800 exhibitors have so far sent in their applications.

"When we first participated in 1987, we experienced a hard time getting companies to take part and the government paid all expenses," the official said. "But this time, the interest shown has been tremendous."

He said international events such as Telecom are a good opportunity for Koreans to show off their latest products to the world as well as to learn about other countries' most advanced knowhow.

Telecom is sponsored by the International Telecommunications Union and the exhibition is divided into a youth competition, film festival, world photo and drawing competition and other categories.

Construction Contract Signed With Libya

SK0502040190 Seoul YONHAP in English 0302 GMT 5 Feb 90

[Text] Seoul, Feb. 5 (YONHAP)—Dong Ah Construction Industrial Co. of South Korea and the Libyan Government formally signed a multi-billion u.S. Dollar contract for the second phase of the "Great Man-made river" project in Benghazi on Sunday.

Choe Won-sok, chairman of the Dong Ah Business Group, and Muhammad el-Manqush, secretary of the Management and Implementation Authority of the Great Man-made River Project, signed the 5.55 billion dollar deal, Dong Ah officials said Monday.

Under the contract, Dong Ah will construct 1,100 kilometers of pipelines in Libya over seven and a half years until February 1998.

The phase II project is to install prestressed concrete pipes, four meters in diameter, underground from the southwestern regions of Fezzan and Wadi Aril to Jeffara near Tripoli.

Two million tons of water from wells in the Fezzan areas will flow daily to homes in the Libyan capital. The water will also be used in irrigation for the greening of the Sahara.

Completion of phase I, a 3.59 billion dollar project that Dong Ah is currently undertaking, has been postponed by one year until the end of 1992.

The two contracts are worth over 9.1 billion dollars.

Libya will pay Dong Ah in five different currencies, which observers say will minimize losses from changes in foreign exchange rates—Libyan Dinars (15 percent), Korean won (15 percent), dollars (20 percent), Japanese yen (25 percent) and deutsche marks (25 percent).

Another favorable term is that Libya will supply all oil for the project free of charge, Dong Ah officials said.

All construction equipment and facilities, which were to be turned over to the Libyan Government after completion of phase I, will be used by Dong Ah for phase II.

Phase II, claimed to be the biggest single construction order in recent history, is expected to favorably affect the Korean economy in the same way as the construction boom in the Middle East did in the 1970s.

Overseas construction firms substantially contributed to economic development in the '70s, but they fell into a swamp of stagnation in the early 1980s due to economic setbacks in the Middle East and the war between Iran and Iraq.

Officials at the Overseas Construction Association of Korea say the phase II project will generate 1.27 billion dollars worth of foreign exchange earnings, including the exportation of Korean equipment and facilities and wages for Korean workers.

During the 90-month construction period, the project is likely to contribute 1.2 trillion won (1.74 billion dollars) to the gross national product and create 140,000 jobs, according to the association officials.

Shipping Firms Profit Debate Delays Soviet Line

SK0402031190 Seoul THE KOREA HERALD in English 4 Feb 90 p 3

[YONHAP report]

[Text] A dispute among Korean shipping firms has delayed the opening of a direct shipping line between Korea and the Soviet Union until July at the earliest, officials at the industry and Korea Maritime and Port Administration [KMPA] said yesterday.

Arguments over how to participate and share the profits have dogged efforts to open a line since Seoul and Moscow reached an agreement on the project last March.

KMPA designated Hyundai, Chunkyung and Pusan shipping companies as eligible to participate and left the Korea Shipowners' Association to decide the operating principles.

Hyundai Merchant Marine wants to take 51 percent of the profits while the other two insist on equal distribution.

Industry officials say a line can open in July if the firms agree upon the principles this month, conclude negotiations with the Soviets in Seoul next month and are able to prepare the ships and organize stevedoring and land transportation in the next two or three months.

Further Reportage on Political Restructuring

New Party Unveils Platform

SK0702123290 Seoul YONHAP in English 1215 GMT
7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—South Korea's new giant ruling party will pursue a liberal democracy and a free market system while putting its policy emphasis on democracy, prosperity and reunification, it was announced Wednesday [7 February].

The 15-member preparation committee for merger of the country's one rule and two moderate opposition parties unveiled the platform composed of five major planks and 25-point basic policies which the new party will follow in the future.

"We will embody a liberal democracy and a free market economic system, improve people's rights and interests through reforms, establish a welfare society based on harmonized growth and balance and will advance the reunification of the fatherland," according to the party, tentatively called the "Democratic Liberal Party."

The platform comprises five planks—the guarantee of people's freedom and rights, the realization of a welfare society through economic growth and balance, the construction of a community ruled by justice and conscience, a self-disciplined education and the peaceful reunification of the nation.

The implementation of local autonomy, rectification of regional and stratal imbalances and revision of land ownership system were among the 25 major policy goals the party presented.

Regarding the reunification, the party pledged to advance the reunification by self-reliant, democratic and peaceful means and said it will make efforts to invigorate exchange and cooperation between two Koreas and to seek consultation with the North on political and military affairs.

The new party, due to hold an inaugural convention in April, is a complex resulting from the merger of three parties—President No Tae-u's Democratic Justice Party, populist Kim Yong-sam's opposition Reunification Democratic Party and a conservative politician Kim Chong-pil's New Democratic Republican Party.

Projected 'DLP' Officials

SK0702044090 Seoul YONHAP in English 0342 GMT
7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—The new ruling party, to be formally created by merging the old ruling and two former opposition parties, will fill key posts around next Monday, before enrollment of the merger with the Central Election Management Committee, an informed source said Wednesday.

President No Tae-u, who will head the conservative party, tentatively named the Democratic Liberal Party (DLP), and Kim Yong-sam and Kim Chong-pil will be registered as co-leaders of the party before it is formally created in an inaugural party convention in mid-April, the source said.

But Pak Tae-chun, chairman of the former ruling party, the Democratic Justice Party (DJP) founded by Chon Tu-hwan, will serve as acting co-leader in No's place so that the president can devote himself to state affairs, according to the source.

After the inaugural convention, No will be DLP president with Kim Yong-sam as chairman and Kim Chong-pil an ordinary member of the five-member collective leadership council.

Pak Chun-pyong, DJP secretary-general, will keep his post in the DLP, Kim Tong-yong, secretary-general of Kim Yong-sam's Reunification Democratic Party, will be DLP floor leader, and Kim Yong-hwan, chief policy-maker of Kim Chong-pil's New Democratic Republican Party, will retain his position in the new party, the source said.

Kim Tok-yong, Kim Yong-sam's former chief secretary, will be named DLP spokesman, the source said.

Top candidates for the four posts of deputy secretary-general are Kim Chung-kwon, DJP deputy secretary-general; Pak Hui-tae, DJP spokesman; Mun Chong-su, RDP lawmaker; Kim Tong-chu, RDP deputy secretary-general; and Cho Pu-yong, NDRP lawmaker.

PPD Wants Assembly Extended

SK0702032090 Seoul THE KOREA TIMES in English
7 Feb 90 p 2

[Text] The Party for Peace and Democracy [PPD] is seeking a longer extra National Assembly session, preferring 30 days to the agreed-upon 20 days.

The special Assembly sitting is to be convened on Feb. 19 and last for 20 days, an accord reached by the four parties before the political realignment started.

In a conference of party executives, the PPD decided that the earlier agreement should be scrapped as the political situation has changed and it is desirable to protract the House session.

The PPD will push its position in a meeting of floor leaders to be held as soon as the new merged governing party finishes the procedure of forming a single floor group.

Meanwhile, PPD spokesman Kim Tae-sik said that his party will introduce a resolution in the upcoming extra House session, calling for a sweeping release of prisoners.

He alleged that, as of the end of January, there were 898 prisoners of conscience and 200 prisoners who had renounced Communist beliefs.

The upcoming special House sitting is meaningful in that it is the first session where the PPD will confront the new ruling party to be forged out of merger of the three parties. As things stand so, the two camps are girding up their loins for their initial confrontation in the floor.

'DLP' Discord Viewed

SK0702033690 Seoul THE KOREA TIMES in English
7 Feb 90 p 2

[By staff reporter Sin Hak-nim]

[Text] Top leaders of the new ruling party to be founded through the merger of three conservative parties have vowed to conduct "drastic reforms" but internal discord is more serious than expected over the question.

In that sense, the future of the nascent large ruling party may not be so rosy as its top leaders have expected.

Following the announcement of the plan to merge the ruling party and two opposition groups, President No Tae-u and Kim Yong-sam pledged to conduct reforms, outlining the future course of the new party on joint or separate occasions.

An aide to Kim Yong-sam said that full consensus has already been reached between President No and Kim Yong-sam that the success of the tentatively named Democratic Liberal Party [DLP] will depend upon whether it can carry out its promise for reform in various sectors of society.

However, there are many signs that the new large conservative party will face serious internal disputes in working out key policies on the national economy and other issues.

In that respect, the agreement among the three leaders, No, Kim Yong-sam and Kim Chong-pil to revise the controversial National Security Law in their meeting last Saturday, was a kind of "litmus test."

Kim Yong-sam insisted on abolishing the National Security Law, which mainly rules on communistic activities, and enacting a "law to safeguard democratic order" instead. The arguing for reform may be a prerequisite for Kim Yong-sam, who has discarded the reputation he earned through three decades of struggle against dictatorship, to survive in the ruling camp.

The former Reunification Democratic Party leader did not adhere to his position in the face of strong objections from President No, former four-star general, and Kim Chong-pil, self-declared conservative. Kim Yong-sam might have felt the necessity to show solidarity among the three top leaders.

In return, President No accepted most other demands by Kim Yong-sam for the withdrawal of indictment against his former colleague Kim Tae-chung, president of the opposition Party for Peace and Democratic and release of a dissident leader, Yi Pu-yong. Kim Yong-sam's suggestion for advancing the inaugural convention of the party to April from May was also accepted by No and Kim Chong-pil.

Certainly, the two other leaders wished to "save the face" of Kim Yong-sam so that he may calm down dissension from his former followers wavering whether to join the new party or not, as soon as possible.

As a result, they agreed to revise the National Security Law "in a forward-looking manner," according to presidential spokesman Yi Su-chong.

After returning to his office, Kim Yong-sam expressed his satisfaction over the results of the Chongwadae meeting. He added that the National Security Law will be revised "to a great extent."

Giving a different interpretation of the agreement, however, Kim Chong-pil said that partial modification will be sought, without touching the "framework" of the law.

Kim Chong-pil's action was an encouraging sign for the ruling Democratic Justice Party members who expect him to continue a conservative line in working out key policies in the face of Kim Yong-sam's cries for "bold reforms."

A senior DJP [Democratic Justice Party] that if President No goes too far on reforms, serious repercussions will follow from senior DJP members who seek to maintain the "status quo."

It is meaningful that voices for postponing the introduction of state control of land ownership and the use of "real names" in financial transactions have shown no signs of calming down, despite the repeated announcement by the top leaders that they will be carried out as scheduled.

A more tangible dispute among the three merging parties is the war of nerves for a greater share in the distribution of key posts. No has to meet the demands from the two former opposition leaders as well as his own party.

Many senior DJP members complained that it is nonsensical for the two opposition parties to call for an "equal share," considering wide margins in parliamentary strength between the DJP and the two other parties.

DJP floor leader Chong Tong-song and other senior members "threatened" that they will not lend support to Kim Yong-sam if and when he leads the new party, unless he makes concessions in the distribution of posts.

DJP members pointed out that No made a mistake by agreeing to merge with the two far smaller opposition parties "on an equal footing," on the basis of which the two opposition parties are calling for equal shares.

Lawmakers To Join Opposition

SK0702040290 Seoul THE KOREA HERALD
in English 7 Feb 90 pp 2, 3

[Text] Eight former lawmakers of the opposition camp yesterday declared they will join the new opposition party pushed by mavericks from the now-defunct Reunification Democratic Party [RDP].

The eight are Kim Hyong-nae, Kim Hyong-kwang, Song Chon-yong, Pak Wang-sik, Myong Hwa-sop, Kim Sung-sik, Mok Yo-sang and Yi Sang-min.

In a statement jointly issued during a press conference, the former lawmakers said they decided to rally behind the "genuine democratic force" to frustrate the giant conservative party, which they said is an illicit union of the quasi-opposition partisan group and the military to perpetuate their power monopoly.

They also called on conscientious democratic forces to join the new party to attain genuine democracy to bring hope and prosperity to the people.

In the meantime, organizers of the soon-to-be-formed opposition party yesterday appointed 10 executive members to push for inauguration of the new party.

The 10 members are Yi Ki-taek, former floor leader of the RDP, Reps. Kim Chong-kil, Kim Kwang-il, No Mu-hyon, and Chang Sok-hwa of the RDP, former RDP Vice Presidents Kim Sang-hyon, Kim Hyon-kyu, former lawmaker Cho Sun-hyong, independent lawmakers Pak Chan-chong, and Yi Chol.

The inaugural committee for the new opposition party also decided to increase the number of executive members from 20 to 30 in due course who will form a central executive committee of the new party, the decision-making body of the party.

Forming Opposition 'Difficult'

SK0702035090 Seoul THE KOREA HERALD
in English 7 Feb 90 pp 2, 3

[Text] Opposition circles are experiencing difficulty in forming a united front against the merging new ruling party.

Many opposition politicians have been pushing for a unified opposition party, but it remains questionable whether they will be successful.

Indications are that the opposition will continue to remain split in several groups.

Presently the opposition circles comprise the Party for Peace and Democracy [PPD] led by Kim Tae-chung, a group of lawmakers pushing for a new party, and political dissenters.

They do not deny the need to join hands in countering the new giant ruling party which emerges out of the merger of the three parties of President No Tae-u, Kim Yong-sam and Kim Chong-pil.

But difficult political interests are keeping them from forming a united opposition.

Many of the PPD lawmakers are asserting that the entire opposition circles should be united around their party.

Opposition lawmakers outside the PPD are trying to inaugurate their own party. Political dissenters also remain split over how to foster opposition unity.

Regional sentiment also seems to play a part: Lawmakers from Kwangju and Cholla provinces versus those from other regions.

In the PPD whose predominant power base lies in Kwangju and Cholla provinces, many lawmakers are demanding the party should absorb other opposition forces.

A small group of PPD lawmakers, mainly those elected in Seoul districts, are asserting that the party should not insist on retaining its vested interests in pressing for opposition unity.

Regional sentiment seems to be an important factor even among members of the Reunification Democratic Party [RDP] who have rejected the new ruling party, bolting from their boss Kim Yong-sam.

Of the RDP members who boycotted the new ruling party, those from Kyongsang provinces are strongly demanding the retreat of Kim Tae-chung from the political front line as a prerequisite to their joining hands with the PPD.

Kim and key PPD officials have made it clear that at present they have no intention of accepting the demand.

Some dissident leaders are now launching a signature-collection campaign for opposition unity, but the move is unlikely to have any significant impact on the opposition lawmakers.

Aware of the difficulty in forming a united opposition party, PPD leader Kim and his followers are trying instead to accept "fresh figures" into their party.

Kim has also hinted he may agree to a shift to a collective leadership system and a change in the party's name.

Kim suggests that the party now focus on coming local elections, apparently thinking that the election results will have a significant impact on the party's future political status and influence.

In a sense, however, he has to be concerned that poor results in the local elections might precipitate his retreat from the political front line.

Both the PPD and other opposition forces appear to share the view that the coming local elections may be a major turning point in efforts to foster a united opposition front.

Alliance Against New Party Urged

SK0302080090 Seoul HANGYORE SINMUN in Korean
29 Jan 90 p 6

[Editorial: "Try To Find a Way of Reconciling the Ideals With Realities—Attitudes To Be Adopted Toward the Building of 'A Great Democratic Alliance' and Tasks To Be Fulfilled"]

[Text] Today, over a week after they declared that "we are going to give birth to a new people's party through a merger of the ruling and opposition parties, the first of its kind in our history," people across the country talk about the sudden shift in the political course by Messrs Kim Yong-sam and Kim Chong-pil. The people above the middle class, who regard the gaining of influence by the politicians who never stay away for even a moment from the center of power or even from the fringes of power, by the conglomerates that control big capital, by capitalists who have large-scale production means at their disposal, by high-ranking administrative bureaucrats and technocrats, and by the ruling forces as an expression of "stability" and especially the majority of the newspapers and radio and TV stations that speak for the interests of those in power and big capitalists going the same way laud the great conservative alliance implicitly. It may be "natural" to them. They have no reason to abhor the realignment of the political, economic, and social system in which a handful of privileged govern and exploit the masses, the majority, which is in their favor.

It Is Inevitable that the Great Conservative Alliance Will Go Bankrupt

The masses and those involved in the national and democratic movement who stand in the opposite direction of the ruling forces, and the opposition party that confronts the giant governing party that the incumbent regime and the conservative and reactionary opposition parties have formed in an illicit union, while being aware of a crisis more keenly than ever, are rekindling their fighting spirit for democratization more fervently than during the June resistance in 1987.

It may not simply be wishful thinking by the national and democratic forces that the "great conservative alliance" that has been formed as a result of political calculation by the "mainstream" of the force that had tried to stay in power indefinitely on the strength of the "October Yusin" after coming into power through a coup d'etat, by the incumbent regime established by the political "disciples" of the former, and by Mr Kim Yong-sam's Reunification Democracy Party (RDP), which has cast off its veil of a conservative opposition party and has thrown itself into the bosom of a fascist political group, is destined to go bankrupt. This is the conclusion of a scientific analysis of the people's high political awareness; the strength of the masses who have toppled those in unjust power since the dictator Syngman Rhee by offering death-defying resistance; the unstoppable and enormous stream of global history that is moving toward construction of a society where men can lead a decent life; and the internal conflict of the great conservative alliance whose members are expected to be engrossed in splitting power without sharing a sound ideology among them.

Such a prospect, however, is likely to remain simply an idle "optimism" if it is not accompanied by an organizational translation of it in practice based on a maximum mobilization of political forces. In order to turn this prospect into an unwavering reality in our society, it is imperative to build a "great democratic alliance" capable of taking the lead in smashing the great conservative alliance and in establishing a democratic system. The cause of democratizing the country and national reunification may appear to be out of reach after the Chongwadae agreement on the "great illicit conservative alliance." But any forces that are convinced that it is possible for the giant governing party lacking morality and political persuasion to perish just like the dinosaurs should rise up to form a great democratic alliance.

The Question Is What Kind of Political Calculation Will the Party for Peace and Democracy Make

A movement as such began to surge immediately after the tripartite meeting at Chongwadae. Such organizations as the National Democratic Council of Korea, a united body of dissident movement groups, the National Council of Labor Unions, the National Teachers Union, and the National Council for University Student Representatives [Chondaehyop] have called in unison for forming a "nationwide democratic alliance" and the preparatory organization of people who want to found a progressive party of the masses, an organization that is led mainly by dissident figures, is responsive to this idea. In the political camps, politicians who have been on the move to unite the opposition parties even before the merger of the three parties was announced have now become active in building the great democratic alliance.

The great democratic alliance should begin with the united strength of career politicians and dissident activists and finally be developed into a mass organization that enjoys the support and participation of the majority

of the people. At the moment, it is the Party for Peace and Democracy [PPD] that is strongest in terms of organization among the opposition political groups of career politicians. The PPD, however, differs greatly from the dissident groups in its opinion about the need to form a great democratic alliance to break up the great conservative alliance. PPD President Kim Tae-chung is among the least responsive to this idea. For the PPD to take part in the great democratic alliance, President Kim and PPD lawmakers, the party's backbone, need to agree with each other. Nevertheless, the PPD is divided over the matter. Lawmakers elected in their native constituencies in Honam [North and South Cholla Provinces] are firmly rallied behind President Kim's lines, whereas some others elected in electoral districts in Seoul insist on founding a new party on the basis of uniting the RDP lawmakers who are opposed to the merger of the three parties and dissident figures with the PPD. Undoubtedly, both the former or the latter seem to be preoccupied with the next general elections. This is going to be a big vulnerable point for the PPD. Moreover, the party's fatal vulnerability lies in the fact that it has no base of support in the constituencies of other provinces except in Honam region, where it has swept up all the National Assembly seats in the North and South Cholla Provinces, 17 lawmakers elected in Seoul, and one single lawmaker from Kyonggi Province.

Without question, it is impossible to hope for achieving reconciliation and unity in the South Korean society without ending or alleviating the regionalism that divides the East and West of the country, which has already been divided into the North and South. Although those who are responsible for the creation of the great conservative alliance claim the elimination of regionalism as one of the important "moral obligations" for their founding the alliance, they have eventually ended up politically isolating Honam and part of Seoul by uniting the Yongnam [North and South Kyongsang Provinces], Kiho [Kyonggi Province], and Yongdong [Kangwon Province] through the merger of the three parties. This no doubt will continue to ruin the national community, but we are in no position to tell the great conservative alliance to stop it. Since the political coup d'etat is built on the unity of the National Assembly members who have their own political calculations, under no circumstances will those who are involved in the great conservative alliance give up their regional base of support; they will only try to take advantage of it. So the PPD has to make a choice. From what forces should it enlist cooperation in overcoming the regionalism and achieving national reconciliation?

It Should Join Hands With the Dissident and Progressive Forces

There is a clear road. The "road" lies in cooperating with organizations that have local chapters in virtually every corner of the country, such as the National Democratic Alliance of Korea, the National Council of Labor Unions, the National Teachers Union, and the Chondae-hyop. Unquestionably, there will be a large number of

progressive intellectuals who are convinced that overcoming the regionalism is the prerequisite of democratization and reunification not only in Honam, but also in Yongnam, Kiho, and Yongdong.

Some may argue that it would be ideal if the PPD set about building the great democratic alliance, but it is a far cry from reality. This argument sounds somewhat reasonable. While the National Assembly was conducting public hearings and liquidating the legacies of the Fifth Republic, people found too many of the PPD lawmakers to be conservative. They are "realities" that represent the PPD. However, it is impossible to strengthen the political forces of the PPD with only such politicians. If President Kim Tae-chung urges members of his party, which has more conservative members than progressive, in party general meetings "to have trust in me and follow me," it may set their mind at ease, but it is too weak to persuade the people.

At this point, an important question arises: Whether it is reasonable to form the great democratic alliance with President Kim Tae-chung excluded from it or to let the dissident organizations, those who are preparing to found a progressive mass party, and lawmakers calling for the unification of the opposition parties form the alliance, while leaving President Kim at the head of the PPD? If the latter case is allowed to take place, it is not difficult to guess that the new party's ties with the masses will be critically weakened. Now that the "One-No-and-two-Kims" has built an "antidemocratic beach-head" in an illicit union, an effective use of the organizations and forces President Kim has built for decades is far more important than easing him completely out of political circles.

Broad-Mindedness and Humility Are Necessary

An examination of these matters shows that there is a sharp conflict between the ideal and realities. To unite the PPD, which is dominated by conservatives and which is far ahead of other parties in terms of public support, with dissident movement organizations armed with a clear opposition disposition and moral standard is an ideal goal. The reality is that the unity is destined to remain at the level of a coalition depending on situations. Another reality is that President Kim Tae-chung, who with his party, the PPD, has tried to score practical gains from dialogue and negotiations with the incumbent regime until the formation of a great conservative alliance, will find it difficult to unite firmly with the progressive dissident movement organizations that regard the regime as a target to defeat and it is a reality that it should achieve great unity with them against all such odds.

It is the reconciliation of the ideal and realities that develops politics. Generally, a movement is an effort to overcome the contradictions between the ideal and realities through dialogue, discussion, and practice. The great democratic alliance, which must be formed without fail, is hoped to wonderfully reconcile the ideal and

realities. Such a reconciliation needs the broad-mindedness and capacity on the part of the dissident movement organizations. Equally indispensable is that President Kim Tae-chung, who, along with his party members, regard the PPD as the only political alternative to the incumbent regime, need to be humble.

President Urges 'Koreanization' of Defense

SK0702064490 Seoul YONHAP in English 0624 GMT
7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—President No Tae-u, stressing that the time has come for South Korea to defend itself entirely on its own, called Wednesday for the "Koreanization" of defense to prepare for the withdrawal of U.S. troops from his country.

"As we have seen in the partial readjustment of U.S. forces stationed in Korea, the U.S. role has to be limited to providing help and we should defend our nation with our own blood and sweat," the president said during a briefing by Defense Minister Yi Sang-hun on major defense programs for 1990.

"We have come to the point where it is time for 'Koreanization' of Korea's defense," No said.

His emphasis on becoming virtually independent of U.S. troops, deployed here under a 1954 mutual defense treaty, appears to be a response to Washington's move to gradually withdraw from the Korean peninsula.

Korean officials say the United States may either withdraw 2,000 to 3,000 members of the 2nd Infantry Division or reduce the number of non-combatants assigned to the division and other units stationed in Korea by the end of this year.

No, a retired general, ordered Yi to actively push forward with programs to improve Korea's military structure, including creating a "national defense staff headquarters," an integral command system for Korea's 600,000-strong Armed Forces, and restructuring the Army, Navy and Air Force.

"The future of our Armed Forces as well as our security in the 2000s depends on whether these programs succeed," the president said.

Real national security ultimately hinges on the public's determination, No said, urging the Defense Ministry to continue its effort to create a consensus for security between the people and the military.

Yi reported that his ministry will increase spending on research and development to above 3 percent of the defense budget by 1996 and over 7 percent in the early 2000s from 1.5 percent at the 1980s to modernize the armed forces and secure high-tech weapons superior to those of any potential adversary.

The defense minister said efforts will also be made to develop submarines, various kinds of warships including

submarines and fighter aircraft by the early 2000s under the soon-to-be-created pan-national defense research and development system, which will be participated in by industrial research institutes, universities and other sectors of society.

Korea is developing guided missiles suited to its own conditions and is pushing ahead with a plan to computerize the military command system by automating the so-called C3I—command, control, communications and information—he said.

Yi, a retired Army general and former deputy commander of the Korea-U.S. Combined Forces Command, predicted that there will be chances of improvement in disarmament control between Seoul and Pyongyang in the 1990s.

It is also expected that the military capabilities of the two Koreas, split into the capitalist South and communist North at the end of World War II, will be balanced and the circumstances for reunification of the Korean peninsula created in the 1990s, he said.

Yi said his ministry will take steps to create a practical environment for disarmament and cope positively with changes in the defense alliance with the United States and balance of power in Northeast Asia.

On negotiations with the United States on the Nunn-Warner Amendment, which covers demands for increased defense burden sharing, Yi said, "the government's basic position, based on the goal of bringing step-by-step changes within the limits of not weakening our ability to defend against North Korean hostilities, is to extend our role and responsibility while consolidating our security ties with the United States."

The defense minister admitted it is necessary for Korea to increase its share of the cost of maintaining U.S. forces in Korea "within our capability."

Under the Nunn-Warner Amendment, the U.S. Administration is required to submit to Congress details of a plan to adjust U.S. troop levels in Korea by April 1.

U.S. officials have hinted the plan may recommend partial reduction or redeployment of U.S. forces and an increase in burden-sharing.

Yi, apparently responding to criticism of the military's involvement in politics, vowed to start a movement within the military to devote itself to its primary mission.

"We are now repenting solemnly for some negative aspects of our involvement in affairs outside the military in the past," he said.

Chief of Staff Calls for Army 'Self-Reflection'

SK0402094490 Seoul CHOSON ILBO in Korean
4 Feb 90 p 1

[Text] After deciding that this year's top-priority task will be to "establish the new position of the Army" in preparation for the rapidly-changing situation at home and abroad, Army Chief of Staff Yi Chong-ku, on 3 February, ordered battalion-commander-level or higher commanders and staff members to carry out this task.

It is noteworthy, in particular, that in this instruction, Chief of Staff Yi pointed out that in order to establish its new position, the military must cool-headedly reflect on its past, arduously innovate itself, and fulfill its innate duty.

The fact that in connection with the position of the military, the chief of staff called for self-reflection is very extraordinary, and it appears that he released this instruction because he thinks that the military must keep pace with the democratization process in society.

In the 1st "1990 Army Chief of Staff Command Letter," which was sent to battalion-commander-level or higher commanders and staff members of the Army, Yi said that "the 1990's is a period when, after overcoming international instability, the danger of the North's provocations, and various other challenges and threats, we must build a springboard upon which we can leap to the status of a leader in the Pacific in the 21st Century" and that "in the face of this goal of the state, the military must fulfill its mission of the era of assisting the country in fulfilling its far-reaching goal."

Chief of Staff Yi also said, "To this end, our military must establish its new position by developing itself into an advanced Army through arduous efforts to innovate itself and by establishing the matured civilian-military relations in which it wins firm trust and warm love from the people."

As a practical measure for the military to establish its new position, Chief of Staff Yi pointed out that the Army must cool-headedly reflect on itself and "must not deviate from its intrinsic mission."

Chief of Staff Yi also said, "Our military must cool-headedly reflect on ourselves, asking ourselves whether, in the face of the radical change of our strategic environment and the consciousness of the people, we have shaped the appearance of an advanced military and whether it has made efforts to make people correctly understand various aspects of our military activities."

Chief of Staff Yi went on to say: In order to establish its new position, the military must make efforts to help the people better understand the military and regain their trust, thus promoting good civilian-military relations. However, the military must first reshape its appearance by making efforts for self-innovation, and the first task to this end is to promote the "military's innate image."

In order to promote its innate image, the military must first assume the attitude of devoting itself to its fundamental mission.

Chief of Staff Yi said, in particular, that he worries that, under circumstances in which various circles in society, taking advantage of a trend toward democratization, are busy claiming their own shares, the military, after leaving its place, may pay attention to non-military affairs and neglect its fundamental duty.

Upon Chief of Staff Yi's instruction, the Army has decided to distribute many booklets on a need for the Army to establish a new position and, at the same time, to extensively strengthen the Army Headquarters' public information function in order to strengthen its public relations activities toward the people.

Military Urged To Examine Past, Plan Reform

SK0602113390

[Editorial Report] Korean vernacular morning papers on 6 February carry editorials on the spiritual renovation campaign launched by the Army.

CHOSON ILBO on 6 February on page three carries a 1,000-word editorial under the heading "The Military's Examination of Its Past and Its Reform." Noting the "command letter from Chief of Staff of the ROK Army for 1990" to commanders and staff members above the level of battalion commanders and the publication of a booklet entitled "Establishment of the New Position of the Army," the editorial says that "the publication of both the "command letter" and the booklet entitled "Establishment of the New Position of the Army" are unprecedented.

Wondering "whether the Army wanted to demonstrate to the people that it is also determined to unburden itself of the past legacies at the outset of the new year or whether it is an expression of a great awakening in the face of a cut in the U.S. troops and its not-too-distant complete withdrawal from Korea," the editorial welcomes the military's determination to reform itself.

Citing the military's intervention in political affairs, the editorial says: "The military's political intervention has caused the military's traditional hierarchy and its authority to erode." The editorial notes various undesirable things in our society brought about by the military rule, including the military way of thinking that one should not leave any stone unturned in order to achieve one's goals and many other negative aspects, and it stresses: "If the military genuinely wants to examine its past and unburden itself of its past wrongdoings as part of an effort for reform, first, it should not covet political gains and wealth; second, it should rid itself of the disciplinary punishment and see to it that no accident occurs as a result of corporal disciplinary punishment; and third, it should distance itself from the dishonorable rumors concerning physical examination of conscripts, and of promotion."

Citing once again the need for the military to stay away from politics, the editorial says: "Only when these conditions are met can the people trust the military, and the people and the military can narrow the distance and establish new relations between them."

HANGUK ILBO on 6 February on page two carries a 1,000-word editorial headlined "The Image the Military Has Declared To Project To Suit Its Real Self." The editorial stresses the need for the military to remain neutral when it comes to political affairs as stipulated in Paragraph 5 of the Constitution, and says that the military's declaration that it will kick off a spiritual renovation campaign in the face of the rapid changes taking place all over the world is worth paying attention to.

The editorial says: "In fact, our military has suffered great damage to its political neutrality and has projected a negative image of being a pro-government force as a result of the unhappy events it caused to happen in the past. Not only is it undesirable, but it also is a sad legacy."

Noting the distrust people have in the military due to the latter's intervention in political affairs, the editorial says: "The military's intervention in political affairs, for whatever reason, has undeniably resulted in placing itself in a sanctuary, in distancing itself from civilians, and in increasing the public resentment of the military."

The editorial, hoping the military's spiritual renovation campaign would give a new birth to itself and project a new image, says: "When the military firmly remains neutral when it comes to politics and faithful to its mission of ensuring national security and of defending the national territory, the people's love for and confidence in the military will grow of their own accord."

In conclusion, the editorial notes the "need for both the military and people to be vigilant against spreading groundless rumors designed to drive a wedge between them."

Diplomatic Reshuffle Affects 10 Postings

SK0702094090 Seoul YONHAP in English 0919 GMT 7 Feb 90

[Text] Seoul, Feb. 7 (YONHAP)—Ambassador-at-Large Sin Tong-won was appointed South Korean ambassador to West Germany on Wednesday in a reshuffle of diplomatic postings that also saw Choe Pil-ip, ambassador to Sweden, moved to Libya and Yi Si-yong, a researcher at the Foreign Affairs and National Security Institute (FANSI), assigned to the Vatican.

In the reshuffle, which affected 10 diplomatic posts, Pak Chun-pom, ambassador to El Salvador, took up the post of consul general in San Francisco and Kim Kyong-chol, ambassador to the Vatican, and Ambassador-at-Large Sin Tu-pyong were named Korea's first ambassadors to Poland and Yugoslavia, respectively.

Ambassadors-at-Large Choe Tong-chin and Min Hyong-ki were made ambassadors to Sweden and Ireland, respectively.

Yu Chi-ho, minister in Jakarta, and Cho Ki-il, minister in Rome, were promoted to ambassadors to the North Yemen and El Salvador, respectively.

Ambassador to West Germany Sin Chong-sop, Ambassador to Libya Yi Sang-yol, Consul General in San Francisco Hyon Hui-kang and Ambassador to North Yemen Yi Kyu-il will become researchers at FANSI.

A Foreign Ministry official said the head of the consular department in Moscow, a new post, will be named in March.

Government 'Serious' About Low Pay Increases

SK0602081190 Seoul YONHAP in English 0754 GMT 6 Feb 90

[Text] Seoul, Feb. 6 (YONHAP)—The South Korean Government is serious about capping pay raises at 5-10 percent for large firms and using the full might of the law to ensure that neither employers nor radical labor movements disrupt industrial peace, Labor Minister Choe Yong-chol warned Tuesday.

"The government will sternly deal with Chonnohyop (a fledgling nationwide association of workers), taking full advantage of its emergency arbitration and investigation rights," Choe said.

Industrial peace is the prerequisite for stable economic growth, the minister stressed in a breakfast meeting hosted by the Federation of Korean Industries.

Some 600 defiant labor unions inaugurated Chonnohyop in a rally Jan. 22 on a university campus near Seoul although police said it was an organization to abet class conflicts and labor disputes.

The law will be enforced rigorously in every labor dispute from the very start, with no exception for employers, he said.

Choe said the government will instruct 30 conglomerates to start their wage negotiations early in an effort to head off industrial unrest this year.

Pay raises in the larger firms will be 5-10 percent, about equal to state-run companies, he said.

The minister predicted better labor relations this year as a probable outcome of the political stability he expects to follow the inauguration of a massive new party this spring.

Fund Set Up To Support Imports, Investments

*SK0602064090 Seoul YONHAP in English 0619 GMT
6 Feb 90*

[Text] Seoul, Feb. 6 (YONHAP)—The government has set aside 7 billion U.S. dollars for special foreign currency loans this year and will release 4 billion dollars in the first half to support imports and overseas investments, the Finance Ministry said Tuesday. [6 Feb]

A Ministry official said imports of goods and services will receive 3.9 billion dollars, with 1 billion dollars for imports from Japan and 100 million dollars for overseas investments by firms with fewer than 300 employees.

He said 2.7 billion dollars will go to large firms and 1.3 billion dollars to small- and medium-sized firms.

Import loans are available for firms recommended by pertinent ministries or a relevant economic association. Overseas investment loans include relocation funds.

A recipient firm is able to get a yearly maximum of 200 million dollars in special foreign currency loans, which amounted to 4.96 billion dollars last year.

The Ministry will raise the ceiling for general foreign currency loans from 5.6 billion dollars to 7 billion dollars for this year to expand facility investment and revitalize the international operations of foreign exchange banks, the official said.

Government, Business Formulate Export Strategies

*SK0402024990 Seoul THE KOREA TIMES in English
4 Feb 90 p 9*

[Text] The government, business concerns and economic organizations are combining efforts to boost exports which have been seriously stagnating since last year due to the won's revaluation against the U.S. dollar and the lingering aftermath of labor conflicts.

There are still no signs of an assured recovery of exports in the first and second quarters of this year at least.

According to an interim tally by the Trade-Industry Ministry, the trade account for last month recorded a \$662 million deficit on a customs clearance basis, down 10 percent over a year ago.

The figure was the largest monthly trade deficit since January, 1985.

As shipments continue to nose-dive, the government has set up a special task force to boost exports of such strategic items as electronics, textiles and automobiles.

The government is also encouraging business concerns to boost their shipments and plans to dispatch a number of missions abroad to explore new markets.

In the meantime, the Electronic Industries Association of Korea has recently set up an export promotion committee to facilitate shipments of electronic products.

Electronic goods account for more than one fourth of the nation's total exports.

But the increase in shipments of electronics has turned into minus territory since last October.

The association designated 10 items for export promotion and called upon 50 makers including Goldstar, Samsung, Daewoo and Hyundai to gear up efforts to ship more.

The 10 products are computers, semi-conductors, radio cassettes, video cassette recorders, color TVs, microwave ovens, magnetic tapes, cathode ray tubes, telephones, and black and white TVs.

On the other hand, electronics makers are endeavoring to explore Communist markets, especially the Eastern bloc, in order to tide over growing protectionism in the United States, the 12-member European Community and other advanced countries.

The Trade-Industry Ministry is determined to hold regular meetings once a month with electronics manufacturers for the expansion of shipments.

The nation's five automakers—Hyundai, Daewoo, Kia, Ssangyong and Asia—also recently set up a joint special task force to cope with deteriorating exports of motor vehicles.

They will call upon the government to sort out a comprehensive program such as the supply of financial incentives to help them secure competitiveness in the U.S. car market.

The textile industry seeks to hold a mammoth exhibition in Mexico in the third quarter of the year in a bid to explore Central and Latin American markets.

Some 40 textile makers will take part in the exhibition.

The textile industry also plans to send two export-boost mission to the Eastern bloc during the first half of the year.

Trade Group on Need for Export-Boosting Measures

*SK0402025390 Seoul THE KOREA TIMES in English
4 Feb 90 p 9*

[Text] The business slump the Korean economy is now undergoing will be overcome only when a set of export-boosting measures is taken, the nation's main foreign trade group said yesterday.

The Korea Foreign Trade Association [KFTA] said the national recorded a \$662 million trade deficit in January on a customs clearance basis, the biggest monthly deficit since January in 1985, and called for drastic measures to revive the lackluster trade performance.

Among the measures suggested by the trade group were the accelerated depreciation of the Korean currency, lower interest rates, curbs on high wage demands and the settlement of the labor-management disputes peacefully.

Korean exports in January totaled \$3,952 million, down 10 percent from January last year, and this shows that Korean exports have been on a steady downward trend on a monthly basis since November last year.

In terms of value, Korean exports fell 2.7 percent in November from the same month of 1988 and 3.3 percent in December and a further 10.0 percent in January.

By comparison, Korean imports in January amounted to \$4,614 million, up 5.2 percent from the same month of last year, a relatively low growth, when compared to the high growth last year.

But the trade group said even the 5.2 percent import growth looks a little high, taking into account the sluggish production and investments of recent months.

Korea's year-to-year import growth was computed at 18.5 percent in November last year and 11.9 percent in December.

As to the primary factor in the export slowdown and import surge in January, KFTA cited the weakened competitiveness of Korean industry resulting from the steep currency appreciation and high wage increases.

It also said the Lunar New Year holiday spanning a few days in January had resulted in setbacks in production and exports. Because of the festivity in January, production was shortened one day from January last year on average. If this had been a working day, exports would have dropped 6 percent instead of 10 percent and imports would have grown 9.8 percent, not 5.2 percent, the trade group explained.

Goal of Small Lots Exports 10 Billion Dollars

SK0302015290 Seoul YONHAP in English 0139 GMT 3 Feb 90

[Text] Seoul, Feb. 3 (YONHAP)—The government will expand its support for businesses that produce a variety of items in small lots to boost their exports to 10 billion U.S. dollars a year by 2000, the Trade and Industry Ministry said Saturday.

The items include toys, musical instruments, stationery, sporting goods, jewelry, handicrafts and furniture.

Exports amounted some 4.2 billion dollars last year, with 41 percent going to the United States, 23 percent to Japan and 22 percent to the European community. The government has set an export goal for this year of 4.4 billion dollars.

In order to improve quality and productivity, the Ministry will extend financial support for the development of new skills and designs and for factory automation.

The Ministry will also encourage the firms to participate in 10 international exhibitions to be held this year, including the Chicago Musical Instrument Show in June, to enhance recognition of Korean products in international markets.

Minister Cho Sun on Exports, Trade Deficit

SK0302040590 Seoul YONHAP in English 0308 GMT 3 Feb 90

[Text] Seoul, Feb. 3 (YONHAP)—South Korean exports is likely to pick up steam after a slow first quarter and easily attain this year's goal of 66 billion U.S. dollars, a 6 percent jump from 1989, Deputy Prime Minister Cho Sun said Friday night.

"The trade deficit in January will be 300 million dollars on an international payments basis, and another deficit is expected in the first quarter," said Cho, appearing on a current affairs talk show on MBC-TV.

But Cho, who is also economic planning minister, said the outlook after March is "not dark" and he is confident of achieving the 1990 export target of 66 billion dollars and a current account surplus of 2 billion dollars.

"Our export-boosting measures are beginning to work and letters of credit are arriving without hitch," the top economic planner said.

Cho warned against capital outflow, believed to be rising in recent months as people seek to escape the impact of regulations requiring a client's real name to be used in all financial transactions next year, as well as the outflow of hot money seeking a quick profit from stock-trading, real estate and foreign exchange speculation.

"Illegal capital movements abroad are subject to tight control lest they disrupt the economy," he said.

Cho stressed the importance of economic stability in light of recent signs of inflation and said he refuses to employ artificial measures to stimulate the economy.

New Tax Affairs Finance Minister Named

SK0302040190 Seoul YONHAP in English 0312 GMT 3 Feb 90

[Text] Seoul, Feb. 3 (YONHAP)—Paek Won-ku, director of the National Tax Tribunal, was appointed assistant finance minister for tax affairs Saturday.

Paek replaces An Kong-hyok, who was promoted to administrator of the Korea Maritime and Port Administration earlier this week.

Paek, 50, has held several posts in the Finance Ministry and the Office of National Tax Administration since 1966.

Orchestration of Human Resources Urged

SK0402040290 Seoul THE KOREA HERALD in English 4 Feb 90 p 8

[From the "Washington Perspective" column by Choe Yon-hong: "On Korean Economy"]

[Text] The South Korean economy in 1989 seemed to run out of steam. Economic growth was nearly halved to

6.8 percent from 12.2 percent in 1988, and is expected to rise to 7.4 percent this year. Our export-oriented economy has been weakened. I can predict a trade deficit in 1990. Seven percent economic growth is admirable, but it is just adequate in Korea to accommodate new manpower entering the job market.

Korean population growth is threatening economic development. Population control is urgently needed. Zero population growth is recommendable. All environmentalists are saying that "We found our No. 1 enemy. That is ourselves." South Korea needs a powerful environmental campaign to prevent pollution and, more importantly to control population growth. We cannot relax in population control.

Inside the economy, we all see the new high wage levels that Korean workers are demanding. Korean salaries are second in Asia only to Japan's. Taiwan and Singapore have higher per capita GNP, but lower wages. The wage hikes in Korea in the last two or three years were explosive. They were incomparable to any nation's. Middle income people went on strike for higher wages, better working conditions, and democratic participation. The economy was shot down.

In order to avoid higher wages, Korean companies established plants in South Asian nations such as Indonesia, Malaysia, Thailand, and Ceylon [Sri Lanka]. Some foreign companies in Korea have left, and others are contemplating leaving. Korea's low wages attracted many foreign companies. But this is no longer true.

Politicians are regrouping to face the economic troubles.

I have warned in this column of the danger of mob democracy, radical politics, idealism without adequate attention to reality.

South Korea, a divided small country with limited resources, should orchestrate its human resources again. Korea's remarkable economic growth was based on the networking of its human resources—business, labor and government. If Korea is losing the networking, then Korea's economy will be endangered. The networking has been lost. Labor went out of the existing network. Outdated Karl Marxian theory separated labor from the rest. Radical forces-labor networking has really hurt Korea's economy.

The more pluralistic society is, the more integration is needed. Pluralistic democracy is compatible with national integration. Management on one side and labor on the other side cannot make the South Korean economy strong. Modern business is terribly complex...filled with risk, the unexpected, and competition. Successful business is the entire work force's intellectual commitment to the service of the company without self-imposed functional or class barriers.

The United States shows increasingly an integrated business organization, not divided organization by management and labor. The U.S. low productivity was based on

higher wages in the 1960s and 1970s. The successful U.S. economy in the 1960s made higher wages possible, but the higher wages hurt U.S. productivity and the economy. The same applies to the Korean economy. The successful Korean economy made higher wages possible, but the higher wages hurt Korean productivity and the economy.

Productivity improvements are a game of inches, in which small changes over many years produce incredibly powerful trends. A less than 1 percentage point lag in productivity growth for one century was sufficient to transform the United Kingdom from the world's undisputed industrial leader into the trailing economy it is today.

All Koreans should be aware of productivity improvements.

Koreans should be tough on productivity.

In this world of fierce competition, only productivity can be the barometer of competitiveness.

* Role of IPECK Criticized, Evaluated

902C0059A Seoul CHUGAN MAEKYONG in Korean
2 Nov 89 pp 34-37

[Article by reporter Yim Chol: "The First Year of IPECK, a Record of Merits and Demerits; Its Role Criticized, Whether To Continue It Being Argued in Some Quarters"]

[Text] Hwang In-chong, deputy director of the International Private Economic Council of Korea [IPECK], has been one of the busiest men in the past year. He once rerouted a plane in China to go to the Soviet Union, then changed his mind and returned home to solicit support for IPECK. A day of 24 hours was much too short for him. The fledgling IPECK has spent its first year muddling through ordeals, which are still continuing. It may be said that IPECK is a living example of how tough it is to establish one's status in an era of cataclysmic changes.

Future Status Still Uncertain

Hwang characterizes IPECK's effort in this connection as a "process for normalization of what is abnormal." Under the circumstances where the political situation had been sensitive to the public opinion and on alert for emergence of any abnormality since the start of the Sixth Republic, it was that much more difficult for IPECK, a new born organization, to stake out its position.

What the words "normalization of what is abnormal" imply raises the need for us to reexamine a number of questions about IPECK's role and its links to the administration's Nordpolitik. Among them: What were the background factors that led to the founding of IPECK? Do these factors still exist? And what is IPECK's role in connection with Nordpolitik? The characterization suggests also that IPECK cannot but be sensitive to the public opinion. This is the source of anguish for IPECK,

because the public opinion apparently has not necessarily been kind to it during the past year. This is a point that affects the Economic Planning Board [EPB] too, which supervises IPECK and was instrumental to its birth.

This explains why EPB found it difficult to have a strong say in determining "what function should be assigned to IPECK,"

The name of IPECK is still unfamiliar to the general public. Even pronounced in the longer Hangul title "*Kukje Minkan Kyongje Hyobuihoe*," it sounds just as unfamiliar. The name being so unfamiliar, people have no way of knowing what it does. Many would regard it as an organization involving only such persons as related to communist bloc countries. They would just say tersely, "I don't know about it." Even to scholars and entrepreneurs who recognize economic cooperation with communist bloc nations as being an important factor in planning the future of the Korean Peninsula, the necessity of IPECK's existence remains not fully clear. Thus, the identity of IPECK itself still remains ambiguous.

Mun Hui-kap, the Prime Mover

For a review of the first year of IPECK, it is necessary to reexamine events that led to its founding.

Two major background factors were officially cited as reasons for the founding. They were: communist bloc countries, in their promoting economic cooperation, prefer the format of private-level cooperation; and, inasmuch as economic cooperation with them is related to Nordpolitik, there is a need to regulate such economic cooperation in the light of foreign policy. This well explains the concept advanced by Mun Hui-kap, senior presidential secretary for economic affairs, who was then EPB vice minister and the prime mover for the IPECK founding.

A mission led by Kim Pok-tong, currently IPECK adviser [and President No's brother-in-law], and Daewoo Group Chairman Kim U-chung visited Shandong Province in July last year, which was followed by another visit to China by Senior Presidential Secretary Mun Hui-kap. These visits confirmed the need for a contact point to lead economic cooperation with communist bloc countries.

The subsequent move of the Federation of the Korean Industries [FKI] to form a Korea-China economic association gave rise to events that led to the founding of IPECK. The administration's position was that basically, a private organization like FKI cannot act as a contact point with communist bloc nations, that even if a private organization should be assigned to that role, it should not be FKI, which represents big businesses and is likely to belittle the interests of small businesses. Furthermore, if FKI should be allowed to form a Korea-China association, then there should be no reason to keep the Korea Traders Association [KTA] and the Korea Chamber of Commerce and Industry [KCCI]

from serving as the contact points for the USSR and East Europe respectively. This raised fears for the possible emergence of multiple contact points. Based on this logic, the government decided to block the FKI move to form a Korea-China association and open a new window for contacts with communist bloc countries. The controversy continued even after that. Discussions continued between agencies on whether the new contact point thus established should be placed under the jurisdiction of EPB or the Ministry of Trade and Industry [MTI] or the Ministry of Foreign Affairs; eventually, it was decided to set it up as a corporation under EPB. Thus, the 4th Cooperation Office, headed by a bureau chief-level official, came into being in EPB to prepare for the birth of IPECK which was to come on 28 October last year.

The above is a brief review of how IPECK came into being. In that connection, one could very well see that IPECK, through the process of its birth, came to have two invisible foes—MTI and economic organizations.

Such historical background notwithstanding, IPECK looked to gossipmongers just like an organization that had to beat FKI in the process of its birth. China was a country for IPECK to deal with and this made it difficult from the beginning to draw a line between its role and the role of the Korean Trade Promotion Corporation [KOTRA], the forerunner in economic cooperation with communist bloc countries even from before IPECK's birth.

What kind of format is available for KOTRA and IPECK to share the role and function between them in promoting economic cooperation with communist bloc nations? To every one, this appeared to be a task difficult to solve. On the desk, it was possible to draw a line by specific functions. The idea was that, by borrowing the basic strategy of elevating economic cooperation to diplomatic levels, the day-to-day work of trade promotion could be left to KOTRA while IPECK is assigned to controlling advanced cooperation including such things as investments that would involve diplomatic links. This plan, however, has its limitations coming from the fact that it was realistically difficult to draw a distinct line between trade and investment in business activities, and that KOTRA had already opened or was ready to open a total of five trade halls. Especially, since IPECK had blocked the FKI move to form a Korea-China association, it had to take on the task of following through with the move.

This led to the regional divisions for the initial period following the IPECK's birth, which assigned KOTRA to the USSR and East Europe, and IPECK to China. Consequently, plans were made for IPECK to replace KOTRA and take care of an economic cooperation mission from Liaoning Province. Needless to say, the just organized IPECK, still organizationally deficient and short-handed, had no alternative but to rely on KOTRA's business network. Even so, IPECK of course stood in the front.

Before the Liaoning Province mission visited Seoul, there was the visit by a Shandong Province mission, the first official Chinese mission to visit the southern part of the Korean Peninsula since liberation. The Shandong mission, in the spotlight of mass media, signed a memorandum of understanding with KOTRA. Newspapers headlined the agreement on an office to be opened in Hainan or Qingdao. While welcoming the progress in economic cooperation between Korea and China, press comments then leaned heavily toward viewing it as humiliating (?) [as published] for Korea to sit at the negotiating table with just one Chinese province.

Perhaps for reasons relating to that episode or because it was a latecomer, the Liaoning mission was accorded less hospitality (?) [as published] with the case of the Shandong mission and the two sides did not even exchange a single memorandum. In this connection, an official involved in the negotiations then disclosed that the strategy pursued by Korea was to "draw out Beijing by bringing negotiations with Liaoning Province to a breaking point." At any rate, to the general public with no access to inside information, IPECK could very well appear to be a "treacherous organization that snatched business from KOTRA but actually is unable to handle it as it should."

Cooperation With China to the Fore

Thus, IPECK had its first bout of rough sledding right after its founding. On behalf of all government agencies concerned, it became the object of criticism.

Affairs involving China continued. Incidental to the issue of forming a Korea-China association which IPECK took over from FKI was the project of a China visit by leaders of private businesses. IPECK had to carry out the project by all means. Moreover, the move for the founding of the "Korea-China Economic Association" in the summer of that year seemed to bring IPECK to face an officially undefined responsibility.

In July, during the Beijing Fair, IPECK Deputy Director Hwang In-chong flew to Beijing for talks with the China Committee for the Promotion of International Trade (CCPIT). As a result, he succeeded in reaching an agreement on the outline of the association and making out necessary documents. Since IPECK had given priority to the task of laying firm foundations for itself, this was a big break (?) [as published] for it. IPECK planned to "mark its first anniversary in a big way with events involving the Korea-China Economic Association in Seoul and, prior to it, carry out a visit to Beijing by leading financiers." The plan seemed to promise multi-effects for IPECK to clear a backlog of old tasks and secure support from financial circles.

The plan fell through, however, because of the stalling tactics of the Chinese side. Not only the plan collapsed but IPECK had to face criticisms that it "might be acting as a barrier to the opening of a Beijing trade office planned by KOTRA" and "is preoccupied with establishing contact points and shows no interests in activities

to help out member industries." To make it worse, the collapse even triggered the suspicion that IPECK is a "private organization of adviser Kim Pok-tong." Although IPECK found the criticisms largely unacceptable, the odds were nevertheless against it. Even government authorities were reluctant to give it a helping hand. IPECK also had to endure the it-served-you-right attitude of hostile (?) [as published] organizations. It thus found itself in an isolated and helpless (?) [as published] situation.

While the desperate fight (?) [as published] with China was going on, IPECK came to take on one more task. It all started when it was announced following a visit to the Soviet Union by Chong Chu-yong, honorary chairman of the Hyundai Group, that an agreement had been reached with the USSR Chamber of Commerce and Industry on creating a Korea-USSR economic cooperation committee. With regard to the question of who should be the organizing sponsor on the Korean side, the government, which earlier barred FKI from opening the window to China, had to face the logical demand that it should do the same with FKI this time again.

Consequently, after a prolonged controversy over the Korean-side component of the projected KOREA-USSR economic cooperation committee, a compromise arrangement was reached in July, giving the post of chairman to Chong Chu-yong but placing the committee secretariat in IPECK. And the committee sent a mammoth delegation to the Soviet Far East region and Moscow in late July through early August. Even after the delegation's return from the USSR visit, the secretariat remained a pending issue until it was finally resolved by IPECK taking over the post of FKI international department director.

At a glance, it appeared that Chong Chu-yong, the most powerful man of the Korean business world, has become a strong guardian for IPECK. But the arrangement proved to be another source of criticism, which was in gist: "IPECK, lacking a strong supporting group, has turned to Chairman Chong Chu-yong for help and, while thus choosing the Hyundai Group, it looks like IPECK set out seeking the backing of other conglomerates too."

Some pointed out that IPECK, an organization to be in charge of economic cooperation with communist bloc countries and stand in the van of Nordpolitik, is leaning toward the side of big businesses.

As a result, new questions were raised, such as how useful IPECK could be in the implementation of Nordpolitik, whether or not its role would be more beneficial to big businesses than to small enterprises, and if there is no danger of it becoming a window representing the interests of big businesses. All this began to work as negative factors to IPECK in securing its original functions.

The history of events during the past year testifies that the fledgling IPECK is plagued by structural contradictions. The "normalization of what is abnormal" as said

by IPECK Deputy Director Hwang In-chong in his confession also proves this point.

However, this does not mean that IPECK has nothing to say on its behalf. A new organization needs three things to get it going—information, power, and organization; the IPECK people would find it most painful that the government did nothing for IPECK with any of them. IPECK has no access to intelligence about communist bloc countries. Neither has it any practical power to regulate businesses in their trade with communist bloc countries.

The same applies to organizational matters. Officially, IPECK is a corporation comprised of fee-paying members. However, nonmember businesses would not be handicapped in obtaining licenses for entries into or investments in communist bloc countries by the fact that they are not IPECK members. In other words, one may say that members gain almost nothing for the membership fees they pay to IPECK. Under these circumstances, member firms would very well find it difficult to be active with IPECK activities.

Complaining, an interested party said: "Speaking of IPECK membership, you can say that members all vanished, leaving only the IPECK secretariat which now has become a synonym of IPECK."

Need for Debate About Future

IPECK recruited many capable figures from all circles in the past year. People who profess to be versed with the socialist economies are assigned to administrative jobs. Many of them are known for having studied communist bloc affairs in Paris or China. It would apparently be a

waste should that many talented people have exhausted their energies in frictions and a war of nerves in the past year.

For the fact that IPECK's first-year history was a mess, the "absence of political work" could be listed among major reasons. In other words, IPECK came into being without a national consensus—more specifically, in the absence of firm agreement between businesses and government departments concerned. The charges that the founding of IPECK was premature, or that it was too late seemingly carry the same meaning.

Then, work should begin now to answer the pending questions. There should be no hesitation to try to answer the fundamental question, "Should IPECK be continued?" EPB, which is responsible for the birth of IPECK, as well as the people of IPECK should work on the question in good faith and in a responsible manner. If the answer should be "continue," IPECK should be given an appropriate role and functions. Needless to say, giving IPECK a unique function seems to be an extremely difficult task, but it is by no means an impossible thing if organizations concerned get together and put their wisdom together.

If, by any chance, government authorities should attempt to use IPECK as a scapegoat for any complaints that might result from Nordpolitik, it certainly would be a matter of great concern. It is because we are more concerned about difficulties such attempts could cause to economic cooperation programs themselves than criticisms against IPECK. Indeed, IPECK was exposed to controversy over the wisdom of its continuation even before marking its first anniversary. However, even about a debate on its fate, we only hear leaks of it from secret, behind-the-scenes talks. The debate should be held at the open table.

If the founding of IPECK was not timely, now is the time for a public debate on its fate, and on its future role.

Brunei, Malaysia & Singapore

Malaysia

Talks With SRV on Refugees, Trade To Resume

BK0602105490 Hong Kong AFP in English 1027 GMT
6 Feb 90

[Text] Kuala Lumpur, Feb 6 (AFP)—Malaysia and Vietnam will resume official level talks here later this month or in March on the fate of thousands of boat people and [word indistinct] expand bilateral trade and economic ties, a senior Foreign Ministry official said Tuesday [6 February].

Ahmad Kamil Jaafar, secretary-general of the Foreign Ministry, said Vietnamese officials had shown interest in resolving the refugee issue and stepping up economic cooperation during talks from January 31 to February 3 in Hanoi. "I believe they are sincere," he said of his talks with Vietnamese Foreign Minister Nguyen Co Thach and Vice-Minister Vu Khoan. Mr. Vu Khoan is expected to lead the Vietnamese team to the talks here.

Mr. Kamil said he discussed the repatriation of some 13,000 boat people who arrived in Malaysia since March 14 last year, the cut off date after which Vietnamese are no longer entitled to automatic resettlement. But he said the question of whether to opt for forced repatriation of those deemed economic migrants would be "very carefully" handled because of the strong international opinion against such moves. Mr. Kamil said that he told the Vietnamese that Malaysia might be willing to offer Hanoi financial assistance to help in the resettlement without going into specifics.

Foreign Minister Abu Hassan Omar said last week that Malaysia was studying such a proposal. "We believe that the boat people will opt to return home once they realise that there is no alternative to languishing in the camps," Mr. Kamil said. There are more than 20,000 Vietnamese refugees in Malaysian camps.

The United Nations High Commissioner for Refugees (UNHCR) announced Monday that 11 boat people who landed in Malaysia last year voluntarily flew home on Saturday and that 95 others were awaiting approval to fly back.

Mr. Kamil said that Vietnam agreed to give Malaysia favoured treatment for the purchase of its surplus rice and separate talks will be held on the purchase later in the year. He said that Vietnam had agreed to grant Malaysian Airlines landing rights in Hanoi and look into possible participation by Malaysian companies in Vietnam's petroleum and tourism industries.

Jaafar on SRV's Thach's Visit, Cambodian Issue

BK0602134690 Kuala Lumpur RTM Television Network 1
in Malay 1200 GMT 6 Feb 90

[Text] The secretary-general of the Foreign Ministry, Datuk Ahmad Kamil Jaafar, said in Kuala Lumpur today that Vietnam has begun to realize the significance of an international role in efforts to create a lasting peace in Cambodia.

[Begin Jaafar recording] Vietnam is of the opinion that the meeting of the five permanent members of the U.N. Security Council was a positive development. However, countries in this region should join efforts to solve the Cambodian problem.

Vietnam has asked Malaysia, a founding country in the creation of ZOPFAN [Zone of Peace, Freedom, and Neutrality], to play a vital role in efforts to solve the Cambodian issue so that ZOPFAN can be achieved and realized. According to Vietnamese Foreign Minister Nguyen Co Thach, he will attend the meeting that will be held in Jakarta at the end of this month. The meeting will discuss the initiatives achieved up to this point. [end recording].

Datuk Ahmad Kamil made a 4-day visit to Vietnam 31 January-3 February. He said Malaysia and Vietnam will resume official-level talks on Vietnamese refugees later this month or early March. There are still about 20,000 Vietnamese illegal immigrants in the country, 13,000 of whom have arrived since March of last year.

Singapore

Lee, SRV Minister Discuss Ties, Cambodia

BK0602105990 Singapore THE STRAITS TIMES
in English 6 Feb 90 p 2

[By Patrick Daniel]

[Text] Davos (Switzerland)—Prime Minister Lee Kuan Yew and Vietnam's Vice-Chairman of its Council of Ministers, Mr. Vo Van Kiet, after a 1 1/2-hour meeting here yesterday, agreed to hold further high-level official talks once the Cambodian issue is resolved.

Mr. Vo, who is also here for the World Economic Forum [WEF], had requested to call on Mr. Lee to discuss bilateral relations. An official Singapore press statement said Mr. Vo informed the Prime Minister that he had been following Singapore's economic development closely and had taken the opportunity to meet Mr. Lee to discuss, in particular, bilateral economic co-operation.

Mr. Lee said there were no bilateral problems standing between Vietnam and Singapore. "Singapore wanted to see Vietnam progress and prosper and be a good neighbour," the statement said. However, he restated Singapore's policy that government-to-government economic relations would resume only after the Cambodian problem was resolved. Mr. Lee offered to have the

discussions continue at ministerial and official level to examine the likely areas of co-operation once the Cambodia issue was out of the way.

Speaking to reporters after the meeting, which went beyond the scheduled one hour, Mr. Vo said: "We stressed on our side that Vietnam is seriously carrying out its commitments on the Cambodian question. We came to a common assessment that in the not too distant future, the Cambodian question will be resolved."

Describing the talks as "very frank exchanges", Mr. Vo said: "We regretted the fact that the pace of bilateral economic relations is rather slow." Mr. Vo, who was meeting Mr. Lee for the first time, envisaged that full relations could be established "in the not too distant future". He declined to be more specific. On Mr. Lee's offer of continued high-level discussions, he said: "We are prepared for such exchanges."

Asked whether specific areas were discussed, he said both sides agreed on the need in future for co-operation in trade and investment. "We just painted broad directions and raised issues for the future—for both sides. Later we will go into specifics."

Mr. Vo is in Davos to give a briefing at a WEF seminar on Vietnam's economic reforms since 1987.

On Sunday, Mr. Lee told the annual meeting's closing session that once the Cambodian conflict was resolved, there was no reason why Singapore and Vietnam could not have better bilateral relations. In fact, relations had been good right up to 1978 when Vietnam invaded Cambodia. For small countries like Singapore, it was crucial to stick to the principle that "national boundaries cannot be marched across at will", he said. Apart from this, Singapore had no quarrels with Vietnam and Mr. Lee told the conference he had agreed to see Mr. Vo.

"If he wants to talk peace and prosperity, that's what Singapore's been doing for the last 30 years. We have no experience in war but we have some experience in making progress peacefully."

On Cambodia, Mr. Lee said the conflict would take several more months of "prancing and dancing to gain advantage" before a United Nations-organised mission took control of the administration in order to have free and fair elections. "There is no other choice. If the world, especially the United States public opinion, does not want the Khmer Rouge to even share power in an interim government, the only alternative is a UN interim government."

Mr. Lee said the question was how much authority the UN interim government should have. In his view, it must exercise the minimum necessary to ensure free and fair elections. As to the outcome of such elections, he said that if the Cambodians chose the Khmer Rouge, then they deserved the Khmer Rouge.

But he felt there was "a very high possibility" of a return to a non-communist government in Cambodia. "In such

a situation, a charismatic leader, accustomed to campaigning over radio and television, is likely to get the most votes. And I will not discount Prince Sihanouk although many people do..."

"For many Cambodians, he represents their best hope."

Goh Chok Tong: Detente Could Bring New Tension

BK0402095690 Hong Kong AFP in English 0910 GMT 4 Feb 90

[Text] Kuala Lumpur, Feb 4 (AFP)—Superpower detente could project new rivalry into Southeast Asia, with China, India and Japan contesting the region's leadership, Singapore Deputy Prime Minister Goh Chok Tong said in an interview released Sunday.

Mr. Goh said the United States would be subject to "massive domestic pressure" to reduce its presence in the region with superpower rapprochement, raising the question of who would then lead the region.

"I think it cannot be Singapore. It cannot be Malaysia either," he told a group of Malaysian editors granted an interview in Singapore recently. Excerpts from the interview were released by BERNAMA, Malaysia's national news agency.

"It will be left to China, India and Japan to contest for the leadership of this region, assuming the United States pulls out," said Mr. Goh, who is slated to succeed Prime Minister Lee Kuan Yew soon.

Mr. Goh said that only a more united Association of Southeast Asian Nations (ASEAN) would ensure that small countries like Malaysia, Singapore and Brunei continued to prosper in such an environment. The other ASEAN members are Indonesia, the Philippines and Thailand.

Mr. Goh said that besides a stronger ASEAN, countries in the region should also promote better bilateral and multilateral ties. "If we are united together with economic prosperity, the regional leadership does not belong to only one of the big countries," he said.

Mr. Goh said that the reduced superpower tensions might be replaced by regional conflicts like the contest over ownership of the Paracel and Spratly Island chains. China, Taiwan, the Philippines, Vietnam and Malaysia claim all or part of the island chains.

Cambodia

Correspondent Hails 11-Year Soviet Assistance

BK0702081590 Phnom Penh Domestic Service in Cambodian 1300 GMT 6 Feb 90

[Station correspondent's article: "Eleven Years on the Road of Cambodian-Soviet Friendship, Solidarity, and Cooperation"]

[Text] Immediately after the 7 January 1979 liberation, socialist countries, peace- and justice-loving progressive countries, and humanitarian organizations in the world gave our State of Cambodia their recognition and successively provided humanitarian aid for our Cambodian people with the intention of helping them to overcome the danger of famine and other threats and menaces left behind by the genocidal Pol Pot regime and contributing to the rapid development and consolidation of our beautiful land of Angkor. This timely material and moral assistance of the party, government, and people of the Soviet Union cannot be ignored.

In fact, since 1979, the Soviet Union has given aid without strings attached to our Cambodian people, including relief goods in the forms of foodstuffs, cloth, fuel oil, petroleum products, cement, trucks, passenger cars, medicines, paper, and many other materials.

In addition to this, to help our Cambodian people restore, build, and defend the country from 1979 to 1985, the Soviet Union focused on providing technical assistance for our party, government, and people.

Moreover, from 1986 to 1990, within the framework of cooperation, the Soviet Union has given 41 categories of aid to Cambodia. For instance, the Soviet Union has sent many experts to help restore and operate some 30,000 hectares of war-devastated rubber plantations in the Chup and Memot regions and repair a latex processing plant capable of annually producing 20,000 metric tons of rubber for local consumption and export.

At the same time, in the cultural and health sectors, the Soviet Union has paid a special interest in restoring and repairing the Cambodian-Soviet Friendship Institute of Technology and the Cambodian-Soviet Friendship Hospital by sending qualified professors and doctors to work permanently there without charging any money from our party and government.

Meanwhile, in the drive to rapidly develop our country, the Soviet Union has helped repair and expand the electricity grids in Phnom Penh City and a number of provinces and towns, developed the international communications networks, opened three workshops for the repair of automobiles, provided materials for the surfacing of roads, supplied us with farm tools and provided necessary equipment for the civilian airports in Phnom Penh and four other provincial capitals as well as for technical service stations, and maintained the normal operation of the medium-wave Phnom Penh radio station.

In particular, as far as Kompong Som City is concerned, the Soviet Union has arranged the creation of the sweet water supply system, worked out the pumping of fuel oil from off-shore oil tankers, and helped repair the equipment for the Kompong Som Port.

In the diplomatic field, the Soviet Union and the State of Cambodia, first of all, have mustered all favorable

conditions to obtain peace for the two peoples of Cambodia and the Soviet Union and peace for the world. At the same time, the Soviet Union has unreservedly supported all constructive initiatives of the State of Cambodia, particularly all statements regarding the policy of national reconciliation and principles concerning the political solution to the Cambodian problem.

The Soviet Union has also enthusiastically supported the constructive activities of the parties and governments of the State of Cambodia and of the SRV in deciding to completely withdraw all Vietnamese volunteer troops at the end of September 1989. It has considered this troop pullout as a remarkable contribution to the search for a solution to the Cambodian conflict as well as to the normalization of the situation in Southeast Asia in order to strengthen the relations of good neighborliness and mutual understanding in the region.

In summary, during the past 11 years, the bonds of solidarity, friendship, and cooperation between Cambodia and the Soviet Union have entered a stage of steady development and consolidation.

Recently, Chairman of the Council of Ministers Comrade Hun Sen asserted: Relations between Cambodia and the Soviet Union are highly friendly and fraternal. Not only have all kinds of support from the Soviet Union and the SRV enabled the State of Cambodia and our people to be reborn, but they have also helped us to achieve rapid development.

Paper Calls for Party Building Efforts in Army

*BK0602042990 Phnom Penh Domestic Service
in Cambodian 1200 GMT 5 Feb 90*

[KANGTOAP PRACHEACHON editorial: "Pay Attention to More Vigorously Building the Party Inside our Army To Ensure its Leading and Fighting Potentials"—date not given]

[Text] In a phase in which our country and nation are assuming the task of defending the motherland, party building tasks are becoming essentially necessary and most urgent. Party leadership is the factor determining victories in the cause of defending and building the motherland. The party is the one leading the way toward independence, freedom, and prosperity for every citizen.

Experiences in the historic struggle movement of the Cambodian people have shown that only the genuine Marxist-Leninist party of the Cambodian people's working class can get people together to enable the Cambodian People's Armed Forces [CPAF] to score victories and develop. Thus, wherever there is party leadership, there is a vigorous revolutionary movement always scoring victories.

Over the past more than 11 years, party building in our people's Armed Forces has gone through gradual development. Outstanding individuals have been picked from units and included into party ranks. Along with this, battalions,

regiments, and district forces have paid attention to expanding party chapters and making their roots go more deeply into every strata of the masses and into every sector and locality. This has ensured overall party leadership with high efficiency. As a result, local units in the army are constantly developing and being strengthened.

As for our party members, they have shown a fine character and gone through trying and burning tests in fighting and in their work. Our party members are constantly making efforts to expand their model and pioneering role in every field among the masses. They possess profound patriotic sentiments, are intelligent, fight valiantly and heroically, and adhere to the discipline and regulations of higher levels. They have fine relations with the people and masses who in turn have become warm and more confident.

Through past fighting activities, despite countless complex difficulties, local party units and party members have led their units to overcome obstacles, heightened their fighting spirit, and fulfilled noble tasks assigned by the party and state. They have produced successive feats. In fact, following the complete withdrawal of Vietnamese volunteers from Cambodia on 26 September 1989, the reactionary Cambodian groups—Pol Pot, Sihanouk, and Son Sann—have sought every means, maneuver, and trick to launch adventurous large-scale offensives to seize positions and district seats in Banteay Meanchey, Battambang, and Siem Reap Provinces. However, every gross attempt of the enemy has been timely thwarted and repulsed by our army, causing the enemy serious and heavy losses in life and material. The great victories clearly show the immense and invaluable sacrifice of our heroic army and the efficiency of the correct and talented leadership of the party, which is the source providing vigorous and firm strength pushing for a new change in the spirit of self-reliance and self-determination to be master of the destiny of the country, nation, and motherland.

Although the enemy has been successively dealt severe blows, it still tries to find cheap means, tricks, and maneuvers to topple our State of Cambodia Government and to bring back the genocidal Pol Pot regime to massacre our Cambodian people again. This calls for our entire army to pool all its physical, moral, and intellectual efforts to ensure a peaceful life for the people free from the genocidal danger. Faced with this situation, party building tasks are becoming more essential than they were at any other time. We should strive to build the party more vigorously. This is a necessary and most urgent task serving as the core to promote the people's movement of fighting the enemy, continuing to deal more blows to them, and weakening them until they totally disintegrate.

As party members, we should develop vigorous efforts to firmly build the party in the army in every field: politics, ideology, and organization. Attention should be paid to expanding the party within platoons and local units which are engaged in real fighting on battlefields. First of

all, outstanding cadres and combatants, particularly all levels of core cadres, should be selected and included in the party. Selection and inclusion in the party ranks should be done through the implementation of fighting tasks and concrete work in units. Those who should be picked are the best and outstanding individuals with a loyal spirit to the people and the revolution, patriotic ideals, a bright proletarian internationalist spirit, a resolute will to valiantly fight the enemy, and a willingness to sacrifice their lives to defend the government and categorically oppose the resurgence of the genocidal Pol Pot regime in Cambodia.

Implement well the aforementioned points to ensure that party building in our army is clearly and strongly carried out. This will ensure its development to serve as a solid bastion for the people in thwarting and smashing every perfidious maneuver of the enemies of all stripes in the future. This will bring genuine peace to our beloved motherland.

Battle Activities for Week Ending 26 Jan Listed

BK0602115690 Phnom Penh SPK in English 1058 GMT 6 Feb 90

[Text] Phnom Penh SPK February 6—In the week ended on January 26, Cambodian border guards wiped out 57 enemy troops, wounded 77, captured six and forced 25 others to surrender.

They seized 28 assorted guns and a large good quantity of materiel.

On January 27 the self-defence forces of Stoung District, Kompong Thom Province (150 km north of Phnom Penh) in coordination with the provincial armed units, put out of action 107 enemy troops.

Battle Activities in Various Military Regions

BK0302083790 Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Feb 90

[Text] According to reports from the 1st, 2d, and 4th Military Regions, our people's Armed Forces, in close cooperation with local state authorities and people, have self-reliantly conducted mopping-up operations against the three groups of bandits who have attempted to infiltrate a number of areas in order to wreak havoc upon our people.

A unit of Thalabarivat District's Armed Forces in the 1st Military Region recently launched an operation against the enemy on the O Dong battlefield. After a 30-minute battle, we killed five enemy soldiers and wounded many others, and seized four AK's, a K-54 gun, seven rucksacks, six hammocks, six AK rounds, two hand grenades, three mines, and a great deal of war materiel.

Our people's Armed Forces in the 2d Military Region conducted a search-and-destroy operation against the enemy in an area 16 km north of Memot District, killing 10, wounding 12, and capturing 2 enemy soldiers,

including a battalion commander. We also seized two AK's, an AR-15, a field radio, and some war materiel.

At 0830 on 30 January, our people's police forces ambushed Pol Potist soldiers who were infiltrating Peak Sneng, Khting, and Sandan villages to plunder our villagers' property and foodstuffs. We killed three enemy soldiers in this ambush. At the same time, a unit of the 286th Division, in close cooperation with the Armed Forces of Preah Net Preah District, mounted mopping-up operations against the enemy in an area 27 km southeast of Sisophon, killing four and wounding seven enemy soldiers. The remaining enemy troops were forced to retreat into the jungle, carrying away a number of their wounded comrades.

Seeing the continuous defeats suffered by the enemy, seven misled persons have surrendered to the state authorities and people in Phnum Srok District, and seven others have surrendered to the 286th Division.

This is only a short account of the successes scored by our people's Armed Forces in the 1st, 2d, and 4th Military Regions. These successes in addition to other triumphs have increasingly expanded the State of Cambodia's position of strength and victory while frustrating the three groups of bandits' bid to return the genocidal Pol Pot regime to power in Cambodia.

Recent Battle Activities Reported 30 Jan-3 Feb

*BK0602154190 Phnom Penh Domestic Service
in Cambodian 1300 GMT 6 Feb 90*

[Text] According to reports from the front lines, although they have been heavily defeated and forced time and time again to retreat from battlefields, remaining bandits of the three reactionary Cambodian groups continue to stubbornly infiltrate some areas, specifically along the Cambodian-Thai border, in a bid to plunder foodstuffs and property and wreak havoc upon our people. However, all their attempts and activities have been continuously frustrated and defeated by the three forces of our people's army.

Our Armed forces in Battambang Province on 30-31 January ambushed the enemy in an area 5 km from Treng, killing 10 enemy soldiers on the spot and wounding many others who were carried away by their comrades. We seized a B-62 rocket launcher and a great deal of war materiel.

Our Armed Forces in Pursat Province launched on 3 February a search-and-destroy operation against the enemy in an area northwest of [word indistinct]. We killed four and wounded three enemy soldiers and captured another, and we seized four guns.

The great successes continuously achieved by our Armed Forces clearly show the State of Cambodia's position of strength and victory over the three reactionary Cambodian groups as well as the effective combativity of our people's Armed Forces.

Sihanouk's Comments on Khmer Rouge Reported

*BK0602021290 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 5 Feb 90*

[“Excerpt of 28 January article by Cambodian President Samdech Norodom Sihanouk, on the Cambodian problem”]

[Text] On 28 January, Cambodian President Samdech Norodom Sihanouk wrote an article dealing with the Cambodian problem and entitled “Can the Hun Sen Regime Survive for Long?” We would like to excerpt the essence of the samdech's article.

On the situation of the so-called State of Cambodia of Hun Sen in early 1990, the samdech's article says: The morale of Hun Sen troops, which have been well armed by Vietnam and the Soviet Union, has greatly declined. Desertion is on the rise. Some units of the Hun Sen forces defected with their weapons to the Sihanoukist National Army or the Cambodian National Army [Kangtoap Cheat Kampuchea]. Many other state authorities officials, soldiers, policemen, and militiamen of Hun Sen cooperated with the Cambodian National Army in Phnom Penh, Battambang, Kompong Cham, Kompong Speu, and so on. Hun Sen has ordered his troops to recruit young soldiers; these are the worst types of soldiers because they do not have any goal or hope. Corruption is rampant in this regime and is reaching a high level internationally. This has greatly bothered and disappointed ordinary people. In the end, the atmosphere is tense and is pressuring the entire Hun Sen regime. At present, in Hun Sen's State of Cambodia, many wealthy people, including Hun Sen's relatives, have fled to France and other countries; others have already made preparations to flee Cambodia. We can say this is the beginning of the end of the State of Cambodia set up by Vietnam.

Concerning some people's views that the Cambodian people oppose the Khmer Rouge, the samdech's article says: People should not believe that the majority of the Cambodian people are currently rejecting the Khmer Rouge or Democratic Kampuchea. Democratic Kampuchea has made advances in the national liberation war not just because its combatants are well-armed, experienced militarily, and heroic. All Democratic Kampuchean combatants are Cambodians. There is not a single foreigner in the Democratic Kampuchean National Army [DKNA]. If the DKNA does not enjoy the support of people inside the country, can Democratic Kampuchea have a 40,000-strong army which fights resolutely and heroically and with unrivaled great efficiency? It should be acknowledged that at present Democratic Kampuchea is receiving active support from increasing numbers of Cambodian people who consider the DKNA the only army capable of saving Cambodia from Vietnamization and loss of territory, as is the sad case of Kampuchea Kraom, which has already become south Vietnam.

VOK on Sihanouk Visiting Thailand, Singapore

BK0702065490 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 7 Feb 90

[Text] Samdech Preah Norodom Sihanouk, Cambodian president and head of the Cambodian national government, will arrive in Bangkok from Beijing on Wednesday [7 February] on an unofficial visit to Thailand.

On Monday, Samdech Preah Norodom Sihanouk issued a statement saying that the Sihanoukist National Army [ANS] is controlling and administering a number of liberated zones in Cambodia. He further said that after his visit to Thailand and Singapore, he will stay in liberated zones in Cambodia controlled by the ANS. He also pointed out that his trip to stay in the liberated zones will start from the 3d week of February. He said as a patriot it is his duty to stay in Cambodia with the Cambodian people and think about their well-being.

After his visit in Thailand, Samdech Preah Norodom Sihanouk will go to Singapore to preside over the congress of representatives of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia from various countries worldwide.

Official Comments on UN Role, Sihanouk Actions

BK0602142890 Hong Kong AFP in English 1354 GMT 6 Feb 90

[By Jean-Claude Chapon]

[Text] Phnom Penh, Feb 6 (AFP)—The Cambodian Government is seeking to define the role the United Nations would play in any future settlement to the Cambodian conflict, a Phnom Penh official said here Tuesday.

Hor Nam Hong, minister in the prime minister's office, said the Hanoi-backed government wanted the upcoming [word indistinct] held in Jakarta to "discuss the Australian peace plan which calls for an important United Nations role in Cambodia, which we agree with." "We will also put on the table our proposal for a cease-fire and a halt in aid to the Cambodian factions," said the minister, who is in charge of international relations for the governing State Council. He also cast doubt on resistance leader Prince Norodom Sihanouk's announced intention to return to Cambodia from exile and live in resistance-held [words indistinct] recent decisions.

The Jakarta talks, due to take place by the end of the month, are expected to include the four Cambodian factions, the six Association of Southeast Asian Nations (ASEAN) members, Vietnam, Laos and France. "We expect positive results from the talks but the Khmer Rouge remain an unknown quantity," he said, adding that the hardline Marxist group did "not want an electoral solution to the conflict, which would eliminate them."

The Khmer Rouge are the dominant faction in a tripartite resistance coalition which includes the non-communist forces of former Premier Son Sann and Prince Sihanouk, the titular head of the entire coalition until he resigned last month. He said: "The Khmer Rouge have no choice but to continue the war, and that could constitute an obstacle at Jakarta and for the implementation of the Australian plan," said Mr. Hong. The plan put forth in November by Australian Foreign Minister Gareth Evans calls for setting up an interim U.N. administration in Cambodia to prepare the way for internationally supervised elections.

Mr. Hong said the government would do its best to provide all the facts to an Australian fact-finding mission currently in Cambodia "so it can finalize the Australian proposals in Jakarta." The mission arrived Sunday and is seeking to "study the prospects for a possible U.N. operation," said Mr. Hong, adding that it would focus "on administrative problems linked to the organization of elections."

Mr. Hong added that Prince Sihanouk's decision announced in Beijing Monday to return to Cambodia later this month to live in resistance-occupied territory was "a cosmetic" device. "I doubt that Prince Sihanouk will install himself in guerrilla-controlled zones as he said he was aiming to," said Mr. Hong.

"And if that's the case," he added, "I doubt he'll stay. The latest decisions of Sihanouk are cosmetic operations because they in no way change the essence of the Cambodian problem, because it is still the Khmer Rouge who have the say," Mr. Hong said. "They are the backbone of the opposition," he added.

Prince Sihanouk announced Sunday in Beijing that his Marxist allies had agreed to drop "Democratic Kampuchea" as the name given the country by the former Khmer Rouge government—and restore Cambodia's traditional name, flag and national anthem. On January 24 he announced he was giving up his posts as resistance chief and as president of the coalition government, but said he would retain the title of "legal head of the State of Cambodia."

Analysts in Beijing and Bangkok said they believed the prince was jockeying to distance himself from his Khmer Rouge allies, blamed for the deaths of hundreds of thousands during their [word indistinct] rule of Cambodia which ended with a Vietnamese invasion.

Mr Hong agreed, saying the Prince's recent announcements were "aimed at improving his image, which is considerably tarnished internationally and here because of his longstanding alliance with the Khmer Rouge. He knows that everybody criticizes him for his much stronger alliance with the Khmer Rouge and, above all, for his demand to bring them to power," he said.

The prince has long argued that the Khmer Rouge should be included in any settlement or interim government to

avoid civil [word indistinct] but has made clear his distaste for the hardline group.

Australian Team Meets With Phnom Penh Official

BK0702070790 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 7 Feb 90

[Text] All six members of the Australian delegation met with an official of the Heng Samrin regime yesterday [6 February] to discuss Australia's proposal to end the 20-year fighting by putting the country under temporary UN administration until elections are held in Cambodia.

Sok An of the Heng Samrin regime took part in the discussion which lasted for 3 hours. However, Sok An did not disclose details of the discussion; he only said the talks went well. The Australian delegation, led by Robert Merrillees, official of the Australian Foreign Ministry, spent a week talking with Hun Sen's team and will visit various areas.

The Australian delegation will go to Thailand next week and visit zones controlled by Cambodian resistance forces.

Hun Sen Reportedly Wants To Resign as Premier

BK0702062590 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Feb 90

["Short article" entitled: "Why Does Puppet Hun Sen Want To Abandon His Post?"]

[Text] According to a report from Phnom Penh, Hun Sen wants to resign as puppet prime minister in order to flee to live with his boss in Vietnam. This is because:

1. Hun Sen realizes that the Vietnamese war of aggression in Cambodia will certainly fail in the near future because the Cambodian national resistance forces have continued a vigorous offensive against the Vietnamese and puppet soldiers everywhere, both along the western part and in the interior of Cambodia. The Vietnamese-puppet soldiers have been unable to resist this offensive.

2. The Cambodian people in Phnom Penh harbor great resentment against the Phnom Penh traitor-puppets, particularly against puppet Hun Sen and his family and relatives who have committed all kinds of corruption and plundered a large quantity of national property. Hun Sen is much hated even by those traitors and puppets who are also Vietnamese lackeys. This is because they envy Hun Sen and his family and relatives who could plunder more national property than they.

According to people in Phnom Penh, during the past few months, these puppets engaged in serious bickering. Particularly, they jointly attacked puppet Hun Sen and his family for plundering more national property than they.

Due to these events, puppet Hun Sen, who is a close associate of the Vietnamese, has become enraged and wants to resign.

However, for the Phnom Penh traitor-puppets to resign or to stay on in their posts does not depend on them. It all depends on the Vietnamese, their bosses, who can decide on this. Puppet Hun Sen is Vietnam's closest associate who can serve the Vietnamese better than anyone else. In such circumstances, the Vietnamese will never allow this puppet to resign. They will keep this puppet as a parrot for another period of time for use in holding negotiations or launching deceitful propaganda before Vietnam suffers total defeat in Cambodia.

Therefore, even if puppet Hun Sen wants to leave his post now, the Vietnamese will not allow him to do so.

Laos

Thailand Informed About Rebel Suppression Plan

BK0702092390 Bangkok NAE0 NA in Thai 7 Feb 90 p 3

[Text] Colonel Somboun Sisavat, chairman of the Joint Lao-Thai Military Committee, informed his Thai counterpart during a joint meeting at Na Hao District, Loei Province, that the Lao Government will begin suppression of the Hmong rebels' clandestine government beginning 5 February.

Col. Somboun said General Vang Pao and General Thonglit Chokbengboun formed an exile Lao government with support from the United States beginning on 6 January. Its major strongholds are located at Phou Pou and Phou Fa in the areas of Pong Nalao, Sayaboury Province, opposite Pong Nathai, Nan Province. The fighting will take place in Sayaboury, Vientiane, and Luang Prabang Provinces opposite Loei, Nong Khai, Phitsanulok, Uttaradit, and Nan Provinces of Thailand. Col. Somboun said the Lao soldiers will use small rifles, RPG rockets, mortars, and artillery pieces, and if any bullets happen to fall into Thai territory along the border, Laos wants Thailand to understand that it is unintentional.

Col. Phanlop Plumchit, chairman of the Thai committee replied that such an action is Laos' internal affair in which Thailand will not interfere. However, he urged that there must be no intrusion on Thai territory. The Thai military will definitely not allow it to happen, he concluded.

Party Central Committee Greet CPV Founding

BK0302141590 Vientiane KPL in English 0939 GMT 3 Feb 90

[All quotation marks as received]

[Text] Vientiane, Feb 3 (KPL)—A message from the Executive Committee of the Lao People's Revolutionary Party Central Committee [LPRP CC] is sent today to greet the Communist Party of Vietnam [CPV].

The message notes:

"On the occasion of the 60th founding anniversary of the fraternal Communist Party of Vietnam, the LPRP CC Executive Committee and members, Lao working class and people would like to convey warmest regards, solidarity and best wishes to the CPV Executive Committee and through it to CPV members, Vietnamese working class and people.

"The CPV" it goes on, is a successor of the Indochinese Communist Party founded by President Ho Chi Minh, outstanding and well-known revolutionary of the international communist movement in the 20th century".

The message recalls the development and growth of the CPV through the prolonged and crucial struggle for national independence and socialism and acclaims the efforts of the fraternal courageous Vietnamese people under the guidance of the CPV in the national liberation, defence and development, and in the fulfilment of their noble internationalist obligations.

"All this has contributed to the growth and development of the struggle for peace, national independence, democracy and social progress in Southeast Asia and the world, thus raising the role and prestige of the CPV in the international arena, it adds.

"The LPRP, Lao working class and people congratulate the glorious victories of the CPV and fraternal Vietnamese people. We are convinced that the Vietnamese people, in light of the resolution of the 6th party congress and under the clear-sighted leadership of the CPV headed by General Secretary Nguyen Van Linh, will succeed in the reform and the socialist construction and defence of their beloved motherland," notes the message.

It continues that the LPRP, a successor of the Indochinese Communist Party, and Lao people express satisfaction over the development of the special relations, great friendly solidarity and all-round cooperation between Laos and Vietnam based on Marxism-Leninism, and express gratitude to the CPV and the fraternal Vietnamese people for their valuable assistance to the Lao people in the national liberation in the past and the present national defence and construction. The message also wishes the CPV and fraternal Vietnamese people greater success in their noble revolutionary duties.

On this occasion, Phoun Sipaseut, LPRP CC Politburo member, head of the LPRP CC's Foreign Relations Board also sends a telegram of congratulations to Hoang Bich Son, CPV CC member, head of the CPV CC's Foreign Relations Board.

Lao, Vietnamese Cooperation Committees Meet

BK0202125190 Vientiane KPL in English 0925 GMT 2 Feb 90

[Text] Vientiane, Feb 2 (KPL)—The fifth session of the Lao and Vietnamese committees for science and technical cooperation was yesterday opened here. The session is to exchange information on scientific and technical development in each country, and to go over the implementation of the 1988-89 cooperation plan.

The session has also discussed the 1990 plan envisaging that the sides will exchange mutual experiences through the visits by technicians to one another's countries, especially on scientific and technical management and research.

The session was cochaired by Prof. Souli Nanthavong, minister of Lao science and technology, and Prof. Dang Huu, chairman of the Vietnamese Scientific and Technical Committee.

The fourth session of the committees was held in the SRV in 1988.

Philippines

Rebels Warn National, U.S. Governments

Threaten To Execute Officials

HK0602144790 Hong Kong AFP in English 1417 GMT 6 Feb 90

[Text] Manila, Feb 6 (AFP)—Renegade military officers involved in last December's coup attempt hinted Tuesday they would execute officials and supporters of President Corazon Aquino whom they accused of corruption. In a statement, the coup plotters also warned the U.S. Government it would face another "Vietnam experience" if it dared to invade the Philippines to protect their interests during any future coup attempt.

"The best alternative that we can offer the Filipino people ... is to prove once and for all that those guilty of graft and corruption will be demanded to pay the extreme price for their crimes against the people," the statement said.

"This may appear barbaric," it said, but this "is nothing in comparison" to the United States dropping an atom bomb on Japan during World War II. The plotters did not name the "corrupt businessmen and politicians" targeted for execution, but they have previously accused the Aquino government and supporters in the private sector of widespread corruption. The coup plotters also accused the Filipino people of a "lethargic approach" towards corruption.

The warning was issued after the business community, which has been one of Mrs. Aquino's staunchest supporters, donated four million dollars (185,440 dollars) to add to the one million pesos (44,360 dollars) being offered as a reward for the alleged ringleader of the coup,

ex-Colonel Gregorio Honasan. Businessmen have also contributed anonymously to rewards for other renegades involved in the coup attempt that claimed at least 119 lives and injured over 500 people.

U.S. fighter jets flew over the mutineers' positions during the attempted power grab, but both Manila and Washington said they did not engage in actual combat. Mrs. Aquino meanwhile hailed the private sector's contributions to reward offers to those who help obtain the eventual arrests of coup plotters.

"This shows the people's condemnation of the power grabbers who have no compunction about destroying our economy or causing suffering to our people," she said.

Defense Secretary Fidel Ramos in turn said there would be no coup attempt in "the immediate future," and that growing popular condemnation of the coup last December would prevent future power grabs. He said the coup plotters still needed to "refinance, re-equip, regroup and redeploy," before launching another putsch but added that government measures and the "great momentum" of popular condemnation of the coup attempt would remove future threats.

In a related development, paramilitary officials said they had uncovered a plot by the mutineers to kidnap key defense officials, including Mr. Ramos and military chief General Renato de Villa, the state-run PHILIPPINE NEWS AGENCY (PNA) reported Tuesday.

Aside from Mr. Ramos and Gen. De Villa, the coup plotters are also planning to take Lieutenant Colonel Jovencio Gongora, head of the military stockade, as a hostage, the PNA reported, quoting paramilitary officials. Paramilitary spokesmen could not be contacted to confirm the report. At least 39 leaders of the failed putsch are detained at the stockade at Camp Crame, the police and paramilitary headquarters. More than 1,000 soldiers involved in the last coup attempt remain at large and their leaders have been threatening to mount a new coup try.

Caution U.S. Against Meddling

HK0702043790 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT 7 Feb 90

[Text] Army rebels warned Washington to stay out of the country's conflict or be made responsible for every action they may [word indistinct] against them. In a press statement issued by the members of the Reform the Armed Forces Movement and the Soldiers of the Filipino People, the group stressed that the United States should not be considered as an enemy so long as it will not meddle in the internal affairs of other countries. The rebels again threatened to stage a coup attempt, saying that President Aquino will definitely not heed their terms. Washington has threatened to withdraw its aid to Manila if Army rebels succeed in overthrowing the Aquino government.

Claim U.S. Behind Polls Plan

HK0702103190 Quezon City MALAYA in English
7 Feb 90 pp 1, 7

[By Nestor Arellano and Romy Tangbawan, with reports from Chit Estella and Nida Mendoza]

[Excerpts] The Reform the Armed Forces Movement-Soldiers of the Filipino People [RAM-SFP] yesterday accused the United States of agitating local officials to call for a snap presidential election to ensure continued stay of U.S. military bases.

It also warned the U.S. against supporting government troops as in the December failed coup, saying if the Americans are willing to "have another Vietnam experience, then the RAM-SPF and the Filipino people are willing to give them a fight they will never forget."

The RAM-SPF said the hidden agenda behind the early elections play is to amend the Constitution "to fit the U.S. government's interest." The RAM did not elaborate.

The statement said rebel soldiers never intended to harm Americans or attack U.S. installations even at the height of the December coup. "For as long as they leave the Filipino people alone in settling their own internal problems, then they are not our enemy," the statement added.

It also said President Aquino "cannot and never will be capable of instituting genuine reforms to steer the country toward economic stability." [passage omitted]

[Senator Ernesto] Maceda and Sen. Juan Ponce Enrile also warned of further divisions in the Armed Forces because [Defense Secretary] Ramos' reported order for soldiers to monitor the activities of their colleagues.

"That means they do not trust each other," Enrile said.

Enrile said the fact that the military keeps on raising the bounty for the capture of rebel leaders belies their allegation that they have the support of the people.

Maceda also said if the government can raise the bounty for the capture of rebel soldiers, it should also raise the bounty on NPA [New People's Army] leaders who he said are the bigger danger. [passage omitted]

Aquino Assured of U.S. Compliance to Commitments

HK0702072790 Manila Radio Veritas in Tagalog
0900 GMT 7 Feb 90

[Text] The Philippine Government believes that the U.S. Government will restore the \$96 million assistance which was shaved off the \$300 million allocation for the Philippines as stipulated in the Manglapus-Shultz bases agreement.

According to Presidential spokesman Adolf Azcuna, the president received this assurance from U.S. State Department officials. The \$96 million will be included in the aid package for fiscal year 1991.

Editorial Assails Reaction to U.S. Aid Cut*HK0502035390 Manila PHILIPPINE DAILY
GLOBE in English 5 Feb 90 p 4***[Editorial: "Call Off Bases Talks"]**

[Text] When it comes to dealing with the United States, the Aquino administration is often at a loss as to what to say, and when it does say something, it is either off-tangent or unbearably lame.

In reply to strong statements in the U.S. Congress warning of the imminence of another coup and castigating official corruption in the country, Malacanang led off with a hysterical statement from Press Secretary Buddy Gomez that accused American officialdom of being the most corrupt in existing democracies. And then it followed up with a lame riposte from President Aquino arguing that coup threats have receded and that she's doing her best to wrestle government graft to the ground. (Oddly, she turned her fiercest guns on the local media for reporting on the continuing coup threats, which significantly was mainly fueled by statements of her own military advisers and officials.)

And then the government undercut all this by suggesting that all the negative comments in Washington were simply the product of a public relations firm working for the Philippine opposition, as though the U.S. Congress and state department have no minds of their own and are being manipulated at will. It refused to consider the possibility that U.S. officialdom no less may be pursuing its own scenario vis-a-vis the Philippines.

Now, in response to the Washington message that the U.S. had unilaterally cut \$96 million from the bases compensation money expected this year, the government has sent a letter to the U.S. ambassador expressing "disappointment" over the aid cut and promising to put the issue on the table when the two governments meet to talk on the bases sometime this March or April. Here again Malacanang is trying to put the best face on a direct slap by the U.S. government—namely that the Bush administration is not to blame for the cut, but Aquino critics in Capitol Hill, as though it is our business to make fine distinctions between the executive and the legislature in Washington.

We have reason to wonder what this apologetic letter will accomplish, beyond merely encouraging U.S. officialdom to turn on the heat some more.

It could be argued that our government is only being cautious and restrained in its responses in gratitude for the American overflights that apparently saved the day for the Republic in the December Coup. And yet when you think hard on it, nothing could have been more incautious and berserk than Gomez's off-tangent reply to U.S. Congress comments.

The way we see it, what is really absent here is thoughtful study by the administration of the barrage of statements and actions emanating from Washington and careful

formulation of official responses to them, with President Aquino leading the way. Everyone seems to be improvising his own statements without thorough study of the issues, and it is usually the President who comes at the tailend.

In the case of the unilateral aid cut—the most serious issue on hand and the only one really deserving of official comment—reason dictates that the Philippine government should also reply with its own unilateral action on a matter of pertinence to bases compensation, and that is the forthcoming exploratory talks on the bases. At the very least, it makes good sense, as congressional leaders have suggested, for President Aquino to simply call off the talks. And this should be done sans any plea whatever for the U.S. to restore what it has unilaterally pruned; let them labor to convince us to go to the bargaining table.

Despite the problems of instability confronting her government today, Mrs. Aquino should simply not submit to apparent American determination to make her problems of governance the key issue in Philippine-American relations. The very fact of yielding to this U.S. initiative is a already a glaring confession of weakness. And the nation must wonder how the President in such a posture could possibly serve its interest in this critical time of review of its relations with the U.S.

Accord Accused of Violating Chemical Weapons Ban*HK0702062990 Manila PHILIPPINES NEWSDAY
in English 7 Feb 90 p 9*

[By Merlin M. Magallona, professor of law and associate dean of the College of Law, University of the Philippines]

[Excerpts] Bacteriological and chemical weapons are weapons of mass destruction which the international community abhors. But unknown to the Filipino people, the Military Bases Agreement which Foreign Secretary Raul Manglapus signed with U.S. Secretary of State George Shultz on 17 October 1988 allows the stronger or installation of such weapons in Philippine territory by U.S. military authorities. Thus, the country is dragged into the field of chemical and biological warfare (CBW). The pertinent portion of that Agreement reads:

Notwithstanding the provisions of Article III of the 1947 Military Bases Agreement, as amended, the storage or installation of nuclear or non-conventional weapons or their components in Philippine territory shall be subject to the agreement of the Government of the Philippines. (Emphasis supplied)

The original text of the Agreement in the files of the Department of Foreign Affairs includes the "Agreed Minute," which is as follows:

The Governments of the Philippines and the United States note their understanding that the term "non-conventional weapons" refers to chemical and biological weapons.

This means that the Aquino administration has assumed the authority to agree with the United States for the latter to store or install bacteriological (biological) and chemical weapons in its military bases in Philippine territory. Under the Agreement the U.S. authorities may maintain storage or installations of such weapons with the consent of the Philippine government, in contravention of its international-law obligations.

With this formal undertaking, the government is under duty to make effective its expression of consent in appropriate cases. Significant is the statement of Secretary Manglapus to the press suggesting that the government would "draw up a process by which the government will be able to approve the storage or installation of nuclear weapons in Philippine territory." Necessarily, under the Manglapus-Shultz Agreement, this process of approval also applies to biological and chemical weapons.

CBW, the Constitution and International Law

The striking peculiarity of the Manglapus-Shultz Agreement is that its provision on chemical and biological weapons runs counter to the obligations of the two governments under international law. On the part of the Aquino administration, the Agreement thus contravenes the "generally accepted principles of international law" which the Constitution considers as "part of the law of the land." It would be a perversion of the people's aspirations as articulated in the Constitution, combined with a macabre notion of "national interest," for the Aquino administration to rationalize the Manglapus-Shultz Agreement on this point. [passage omitted]

In the United Nations

The Manglapus-Shultz Agreement has shattered the consistent record of the Philippines in the United Nations practice for "complete and effective prohibition in the development, production and stockpiling of all chemical and biological weapons and their destruction." In the Final Document of the First Special Session of the UN General Assembly in 1978, devoted entirely to disarmament, the Philippines committed itself, together with the whole UN membership, that "an agreement on elimination of all chemical weapons should be concluded as a matter of high priority." In a long line of General Assembly resolutions, the Philippines has reaffirmed the Assembly's position for the strict observance by all States of the principles and objectives of the 1925 Geneva Protocol and the BW Convention. (See, for example, UNGA resolutions: 2162B (XXI), 5 Dec. 1966; 2454 (XXIII), 20 Dec. 1968; 2662 (XXV), 7 Dec. 1970; 31/65, 10 Dec. 1976; 42/37B and 37C, 30 Nov. 1987; and 43/74A and 74c, 7 Dec. 1988.) In resolution 41/58C of 3 December 1986, it joined 137 UN Members in the Assembly's call "for compliance with existing international obligations regarding prohibitions on chemical and biological weapons" and in its condemnation of "all actions that contravene these obligations."

Of special relevance to the Manglapus-Shultz Agreement vis-a-vis CB weapons is the call of the General Assembly on all states "to refrain production, deployment of binary and other new types of chemical weapons, as well as from stationing of chemical weapons in those States where there are no such weapons at present." (Emphasis supplied.) In resolution 36/96B of 9 December 1981, the Philippines voted for this call, together with 109 UN Members. With 33 abstentions, it was opposed only by one member, the United States. In 1987, the Philippines joined the consensus of the General Assembly in enjoining "all states to be guided in their national policies by the need to curb the spread of chemical weapons." (UNGA resolution 42/37C, 30 Nov. 1987. See also resolution 41/58C of 3 Dec. 1986.)

Contemporaneous with the conclusion of the Manglapus-Shultz Agreement is the persistent reaffirmation of the Philippine delegation in the United Nations of the necessity to comply with the obligations under the 1925 Geneva Protocol and the BW Convention. As it made that reaffirmation in General Assembly resolution 42/37A of 30 November 1987, it joined the Assembly consensus that "all efforts be exerted for the continuation and successful conclusion of negotiations on the prohibition of the development, production, stockpiling and use of all chemical weapons and on their destruction." Barely two months after Secretary Manglapus signed the bases agreement with Shultz, the Philippines joined the Assembly in its call in resolution 43/74A of 7 December 1988, "to all states to observe strictly the principles and objectives of the Protocol," as it recalled the necessity for adherence to the BW Convention. On the same date, in resolution 43/74C, it again reaffirmed the "urgent necessity" to strictly observe the BW Convention and the Protocol. In these 1988 resolutions, active involvement of the Philippine delegation must be underscored, if only on account of the fact that it worked as rapporteur of the General Assembly's First Committee which prepared the final drafts of these resolutions and recommended them for adoption by the Assembly. (The Committee's rapporteur was Virgilio Reyes of the Philippines.)

In a span of more than 20 years of consistent Philippine practice in the UN, the Manglapus-Shultz Agreement is a moment of lunacy.

Official Protests U.S. Vote Abstention

*HK0602044390 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 6 Feb 90*

[Text] The Philippines today criticized the U.S. Government for not voting during the meeting of the World Bank Board of Directors that addressed the Philippines application for a new loan.

Finance Secretary Jesus Estanislao said that the attitude of the U.S. government is far from its claimed position of support for the Aquino government. Estanislao sent the protest to U.S. Ambassador Platt.

Enrile Moves for Dismissal of Rebellion Charge

HK0502022790 Baguio City Mountain Province
Broadcasting Company in English 0400 GMT 4 Feb 90

[Text] Senator Juan Ponce Enrile has moved for the dismissal of the rebellion complaint filed against him by the NBI [National Bureau of Investigation]. Enrile argued that his motion for dismissal is on the basis that the charge against him was merely fabricated by the NBI. The NBI charged that the senator allegedly conferred with coup leader former Colonel Gregorio Honasan in Enrile's party last December 1st. Enrile pointed out that the NBI did not certify in its complaint any of the elements of rebellion.

Air Force Chief Denies Firearms Missing

HK0502044990 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 5 Feb 90

[Text] Air Force Chief Major General Jose de Leon today denied reports that many firearms are missing from the Basa Air Base armory in Pampanga. De Leon said this is part of the disinformation campaign being waged by rebel soldiers to ruin the government.

[Begin De Leon recording] We are saddened by this because this may just be part of what is called the disinformation campaign being run by rebels. We hope that concerned people verify these reports before publishing them in newspapers. Actually, we are now drafting a letter in response to this issue so that a stop can be put to all of these rumors to which there is simply no truth. [end recording]

De Villa Orders Withholding of Detainees' Passes

HK0302042590 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 3 Feb 90

[Text] General Renato de Villa, Armed Forces chief of staff, instructed all service commanders not to issue passes to detained military men following reports of a new coup attempt by the Reform the Armed Forces Movement-Soldiers of the Filipino People.

Meanwhile, Major General Ramon Montano, Philippine Constabulary-Integrated National Police [PC-INP] chief, ordered a probe into the activities of all PC-INP men during the 1 December coup.

Government Reports Greater Casualties in Coup

HK0202051990 Manila PHILIPPINE DAILY
INQUIRER in English 2 Feb 90 p 7

[By Tony S. Bergonia]

[Text] Government troops suffered more casualties than renegade soldiers during the failed Dec. 1 coup, according to a ranking military officers.

Commodore Carlos Agustin, deputy chief of staff for personnel, told a hearing of the Senate committee on

national defense that the government lost 30 troopers during the putsch, while the rebel side lost 17 men.

Sen. Ernesto Maceda, committee chairman, asked Agustin to explain why there were more casualties on the government side.

"I think the reason, sir, is because they (rebels) fired first," Agustin answered.

During the same hearing, Air Force Chief Maj. Gen. Jose de Leon said the Air Force suffered about P140 million in damaged equipment and planes during the coup attempt.

De Leon said the planes damaged in the fighting may not be replaced because they are not available anymore.

"So our efforts now is toward recommissioning the air assets that we still have," de Leon said.

According to him, the F-5 and the seven T-28 or Tora-Toras which were destroyed during the coup attempt are no longer available in the market.

Repair efforts may be able to bring back at least five of the damaged planes, de Leon said.

According to the report cited by Agustin, 97 persons (50 of whom are civilians) died during the coup attempt, while 570 (350 are civilians) were wounded.

The report was submitted to Armed Forces chief of staff Gen. Renato de Villa and Defense Secretary Fidel Ramos.

The military officers present in the hearing, who included Brig. Gens. Tereso Isleta of the Air Forces' 15th Strike Wing and Cesar Go, commander of the Mactan air base, agreed to a proposal that to reduce discontent among military personnel, the government must speed up the promotions of junior officers.

Maceda said after the hearing that the officers have admitted that the slow promotion of junior officers account for one-third of discontent in the AFP [Armed Forces of the Philippines].

The defense committee said a total of 5,300 captains are waiting to be promoted. Of this number, 2,500 have served as captains for five years.

Maceda said that because of the military's quota system in promotions, only 950 of the captains would be promoted to majors this year.

"The quota system must be reviewed and relaxed upwards," he said.

"We must expedite the retirement of senior officers," he added.

Agustin said the terms of senior officers scheduled to retire in 1984 were extended until this year because there

would have been a vacuum in the positions of colonels if all the officers who reached 56 years old in 1984 were retired.

During the hearing, de Leon said that another way to prevent soldiers from joining disgruntled military personnel and officers is "to take care of their pay scale."

De Leon asked committee members to study how Congress can pass measures that would protect the soldiers' salaries from the effects of inflation.

He also said the Air Force's equipment should be modernized with the purchase of the latest airplanes.

De Villa has expressed support to the speedy retirement of officers and the non-extension of their services in a recent meeting with senators in Laguna.

But Maceda said discontent among soldiers is bred not only by the military's promotions system, but also by the poor handling of funds in the AFP.

More on Manglapus' Claim on Communist Aid

HK0702033590 Manila PHILIPPINES NEWSDAY
in English 7 Feb 90 pp 1, 2

[By Maria Luz Baguioro]

[Text] Foreign Affairs Secretary Raul S. Manglapus yesterday accused leftists in Europe and North America of funnelling funds to Philippine communist insurgents and of falsely depicting the Aquino administration's human rights record.

In a speech before the United Nations Commission on Human Rights in Geneva, Manglapus charged that the "wilting" communist insurgency "survives partly because of financial infusions from abroad, ironically from the democratic West, from institutions as naive as those romantics of the violent right."

"Here on this very continent, as in North America, there is a network of that violent left which has succeeded in raising millions of dollars for remittance to Philippine Maoist rebels. The money comes from those many times unwitting institutions which often go to the extent of resorting to theology in order to justify their naivete," he said.

Manglapus also noted that the same leftist network is responsible for sensationalizing "isolated cases" of human rights violations in frequently successful attempts to portray the Aquino administration as a gross human rights violator.

These actions, according to him, reflect the "unfairness" and the "racism" of the Western sympathizers of local communists. "Indeed, what else is it but plain racism when women and men of the Caucasian race acclaim the fall of leftist tyranny and the rebirth of democracy in Eastern Europe and then finance the return of that same tyranny to an already reborn Asian democracy," he argued.

The Philippine government, Manglapus said, sincerely adheres to international conventions upholding human rights. He cited President Aquino's "passion" for democracy and human rights which he said, remains as fiery as it was when she ran for president in 1986.

Manglapus further said that as president, Aquino caused the drafting of a new Constitution which provides for the creation of an independent Commission on Human Rights. She also formed a presidential committee on human rights that assists her in monitoring and redressing violations and appointed an assistant foreign affairs secretary for humanitarian affairs to rebuff accusations here and abroad.

"Our human rights machinery is elaborate but, as in every human system, there are lapses in the midst of dedicated official vigilance," Manglapus said.

He also said that the government encourages non-governmental organizations that monitor and impartially report on its human rights record. "The struggle for human rights admits of no conclusion. It is without end. But I believe that in this struggle, milestones might be permissible for recognition," he noted.

Reports from Philippine diplomatic missions, particularly the Philippine embassy in the Netherlands, indicate that over 41 non-governmental organizations in Japan, Europe and North America are clandestinely funding the Communist Party of the Philippines and its guerilla arm, the New People's Army.

Military authorities recently added North Korea to the list of the foreign financial supporters of the Communist Party of the Philippines/New People's Army. Though no exact estimates have been made, intelligence authorities place total aid to the rebels upwards from \$5 million.

Ramos Urges Reactivation of 'Territorial Forces'

HK0202114190 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 2 Feb 90

[From the "GMA News" program]

[Text] Defense Secretary Fidel Ramos has ordered the redeployment of soldiers in different parts of the country in line with the holding operations of the Armed Forces of the Philippines. For instance, in Western Pangasinan, a combat army battalion was replaced by territorial forces from the Philippine Constabulary and by Citizens Armed Forces Geographical Unit volunteers.

According to Ramos, western Pangasinan used to be a stronghold of the New People's Army, but has since been wrested from the control of communist rebels. Ramos claimed that it is time to reactivate the territorial forces which, with the support of civilians, can help ensure delivery of basic services.

38,000 Displaced by Cotabato Violence*HK0502035990 Manila PHILIPPINE DAILY
INQUIRER in English 5 Feb 90 pp 1, 10*

[By Dave Veridiano]

[Text] Nearly 38,000 people have been evacuated from Pikit, North Cotabato and its neighboring towns due to heavy clashes between government forces and members of the Moro Islamic Liberation Front (MILF), a report reaching Camp Aguinaldo yesterday said.

The report received by the Office of the Civil Defense (OCD) operation center said the MILF secessionist rebels continue to mount offensives against the military in retaliation for the Armed Forces intensified operations against them.

As a result, a total of 37,911 persons have been displaced and the death toll has gone up to 29, the report said.

The report said the latest casualties were reported after simultaneous attacks by the secessionist rebels on 10 barangays in Pikit.

Two of those killed were identified as Moises Nasairi, Elma Villacorta. The report also said that during the attacks, scores of civilians were wounded.

The report said the simultaneous attacks in Pikit town forced 775 families to leave their homes and transfer to safer grounds.

Military authorities in Central Mindanao reported that a total of 7,407 families have fled their homes for fear of the Muslim rebel attacks.

The military said the MILF rebels launched the series of attacks against the government forces in retaliation for the killing of two of their comrades in an encounter with military troopers at Barangay Linangin, Pikit town last January 25.

The rebel forces initiated the attack by taking hostage 76 persons whom they later released on the condition that the Armed Forces will not launch any offensives against them.

However, a few days later, the MILF rebels raided several military detachments in the province, prompting the AFP [Armed Forces of the Philippines] to launch a series of counter-attacks.

Affected by the rebels attacks were at least 14 barangays in North Cotabato and nine municipalities in Maguindanao, the OCD said.

The military and Social Welfares authorities in the province immediately rendered assistance to the evacuees by providing food, clothings and temporary shelter.

The military said some of the evacuees have started to return to their homes after troopers cleared the area of Moro rebels.

"But we are having problems because rebels burned down some 250 houses," said Brig. Gen. Gumersindo Yap, commanding general of the 6th Infantry Division in Cotabato.

Yap said the estimated 500 rebels, led by a certain commander Boy Hashim, attacked Pikit and its remote barangays last Jan. 26 "to prove his power."

Yap said the MILF leadership suffers from a "power struggle" among its leaders. "Hashim apparently wants to shout that he is also sikat [popular] in the group," Yap said.

The military has filed charges of cattle-rustling, murder and arson against him and his groups, Yap also said.

The missing cattle indicate that "cattle-rustling was one of their motives," Yap explained.

Salonga Urges Country To Solve Problems*HK0202141790 Manila Radio Veritas in Tagalog
1300 GMT 2 Feb 90*

[Text] Senate President Jovito Salonga warned against the inability to resolve the country's problems. According to Salonga, there may not be a 1992 election if the problems affecting every Filipino remain unsolved. Salonga neither confirmed nor denied the possibility that that he will run for the 1992 presidential post. Salonga went to Lucena City to meet with Liberal Party members:

[Begin Salonga recording] We must try to resolve all the problems in our country this year and in 1991, because if these are not addressed, there will be no election in 1992. [end recording]

Speaker Mitra Announces New House Reforms*HK0602045990 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 6 Feb 90*

[Text] Speaker Ramon Mitra, Jr. today announced several new reforms that the House will be adopting. Mitra said the move is aimed at addressing the public's clamor to reduce politicking and should work on proposed laws which could improve the country's economy:

[Begin Mitra recording] Our first move is to stop all travel by congressmen whose expenses are shouldered by Congress—from this point, there will be no more travel. Second, we will stop Congress' investigation into private individuals or private corporations. That will be temporarily stopped. Third, those privilege speeches, those long speeches, will have to end as well. Privilege speeches will now be scheduled for Mondays only, with none on ordinary days. [end recording]

Aquino Cites Role of Cooperatives in Speech

*HK0502062790 Quezon City Radyo ng Bayan
in Tagalog 0310 GMT 5 Feb 90*

[Speech by President Corazon C. Aquino during the launching of the National Partnership for Cooperatives Development program at Malacanang Palace, Heroes Hall; live—in English]

[Excerpts] Senator Manahan, Secretary Bacani, Senator Aquino, Congressman Romualdo, Dean Umali, Mr. Francia, representatives of the cooperatives movement, the nongovernmental organization sector, and the government sector.

Four years ago this month, our countrymen stood at EDSA [Epifanio de los Santos Avenue] armed with a singular conviction that our nation must return to democracy. That conviction raised on one premise—that the course our country will trod must be designed with popular participation.

For 4 years we labored to put in place the political institution of a reborn democracy. Today we have an elected national and local leadership. We have reestablished the rule of law through a popularly ratified constitution. Despite persistent threats, we can look back and say our struggle and labor have not been in vain. The political structures of a vibrant democracy are alive and well in our land.

Today, however, there is a call for the active participation of our people in aspects of our national lives beyond the political realm. We seek an all-out grass-root involvement as we translate our political gains into economic benefits. Our people must be in the forefront of the war we wage against poverty, but we know only too well that unless our people are organized, their participation in the war against poverty would have little impact. Our people's resources must be pooled. Their strength bound together in a common vision. Only then can they muster the unity our country needs to confront our age-old enemies: deprivation and want.

This is where our cooperatives movement comes in, in our quest for a viable people's organization which would allow our masses to take part in our economic development effort. Cooperatives have supplied the answer. It is interesting to note that cooperativism is a Filipino response. Two important elements of cooperativism are, I believe, inherently woven in the Filipino soul. These elements are values and relationships. I have, time and again, received reports about successful cooperatives, particularly those in the countryside. There seem to be common denominators to this success. One is the living out of important human values among the members of the cooperative. Values such as *palabra de honor* [sense of honor], *pakikisama* [brotherhood], and *bayanihan* [cooperative endeavor]. Another is the living out of human relationships. These successful cooperatives have

often become extended families providing their members with the experience of human community. Furthermore, I see cooperativism as a democratic response. Cooperatives provide our people—even the poor in the countryside—with an experience of participatory decisionmaking.

Cooperatives have, therefore, become a vehicle for grass-roots democracy. People sharing in the decision. People sharing in the responsibility and accountability.

I have been informed that cooperatives are playing a major role in the economic transformation of the Philippine countryside. Various agencies have reported to me the effectiveness of these organizations as channels of wholesale credits and of agricultural and industrial input. As such, many cooperatives have succeeded in raising the income level and therefore the standard of living of its members.

But I understand, the miracle in the countryside involves more than just economic transformation. Social changes and physical improvements are taking place where people have formed cooperatives. [passage omitted]

Today, therefore, it is my honor to lead our nation in recognizing the growing role of cooperatives in the political and socioeconomic life of our country.

We bestow on these people's organizations the status of partners in nation building. In view of this role of cooperatives, I hereby direct all government agencies, concerned in cooperatives formation, development, and assistance, to step up their programs. I would like to review your targets for this year, just to make sure that your figures match the atmosphere in the countryside, which is very fertile for cooperative formation.

I am also calling for a stronger partnership among the government agencies, nongovernmental organizations, the business and religious sectors. Let us attend to this task as our own cooperatives endeavor.

I also hereby direct our government financial institutions to further intensify their wholesale lending program to cooperatives, particularly those credit packages that pertain to agricultural infrastructure, such as irrigation and postharvest facilities. [applause]

Our government is ready to meet the financial and technical requirements of our [word indistinct]. More funds are available than there are borrowers. In view of this, I am directing the concerned line agencies with the support of the nongovernmental organizations to intensify the assistance to this growth in terms of project identification and planning.

The Department of Agriculture is also ready to provide funding and technical assistance, and so is Window 3 of the Development Bank of the Philippines, and the countryside credit delivery program of the Land Bank.

To further beef up the availability of credit to these organizations, I would like to see a fully revitalized rural

financial system. In connection with this, I would like to immediately have a report on the status of the rehabilitation of the rural banks. I am particularly interested in the speedy rehabilitation of cooperative rural banks. We would like to see those fully operational in the soonest time possible.

I am also tapping the program of the Social Security System [SSS] and the Government Service Insurance System [GSIS] to boost the funding pool for cooperatives projects. I particularly refer to the recently launched SSS-GSIS Members Assistance for the Development of Entrepreneurship program or MADE. I also underscored today the continuing adherence to our government's commitment towards cooperatives development. We uphold the principle of subsidiarity. This means our government will assist cooperatives without compromising their integrity as an independent people's organization and without interfering in their internal affairs. [applause]

Our adherence to subsidiarity is a recognition that our post-EDSA cooperatives are the product of the people's initiative. Our people organize themselves not at our behest, but as a result of their desire to be viable and active participants in the rebuilding of our nation.

Finally, I would like to honor and thank all of you who are involved in the work of building a strong and effective national partnership for cooperative development. Your contribution to the socioeconomic goals of our country are significant and far-reaching. As more cooperatives dot our countryside, as more and more Filipinos join hands and take part in the war against poverty, it will always be remembered that this has been made possible by your untiring dedication. We look at the horizon and we see that more has to be done. Oftentimes the past seems insurmountable, especially when some of our own countrymen choose to lay obstacles in our path, rather than to join us in this war. But with this partnership, I can only be confident that we will achieve our goals.

Congratulations to the different participating government agencies, nongovernmental organizations, and representatives from the business and religious sectors. You have our people's undying gratitude. Thank you very much. [Changes to Tagalog] Good morning to all of you.

Group Claims Responsibility for Korean's Murder

HK0302064790 Manila PHILIPPINE DAILY INQUIRER in English 3 Feb 90 p 9

[By Danny Calleja]

[Text] Legaspi City—A newly organized underground armed group claiming to be anti-imperialist has claimed responsibility for the killing of a 20-year-old South Korean national and the wounding of her male companion in a remote village of Tabaco town last Dec 31.

In a mimeographed manifesto distributed to media over the week, the group calling itself Brigadang Simeon Ola of the Hukbong Pilipino Laban sa Dayuhang Pang-aapi [Simeon Ola Brigade of the Filipino Force against Foreign Oppression] claimed that Kim Sung Ne, a Korean woman working for the World Health Organization (WHO) was killed as part of the group's implementation of the death sentence imposed on the two foreigners.

It alleged that the victims were members of the Korean Central Intelligence Agency (KCIA), a counterpart of U.S. CIA, accused by the group with intrusion and exploitation of the Filipino masses.

Kim and her companion, Park Man Suk, 40, of Seoul, also of the WHO, were attacked by the suspects while on board a hired jeepney on the way to the Mount Mayon Rest House in barangay Buang, 10 kilometers from Tabaco poblacion.

Their belongings and P3,000 cash were taken by the suspects, according to a military report.

Kim died on the spot from two gunshot wounds. Park was seriously injured but survived.

Early military reports tagged the New People's Army in the robbery slaying incidents but it was downplayed when witnesses surfaced claiming alleged members of the Kilusang Filipinismo [Filipinism Movement], an anti-communist vigilante group in Albay, were the culprits.

The Simeon Ola Brigade also warned other foreigners from taking advantage of the country's resources and the weakness of the Filipino people for their interest.

The group was named after Gen Simeon Ola, the last Filipino general from Guinobatan, Albay, to surrender during the 1901-1904 American Occupation.

IMF Policy To Raise Domestic Taxes in 1990

HK0502040390 Manila THE MANILA CHRONICLE in English 5 Feb 90 pp 1, 9

[By staff member Claro Fernandez]

[Text] The Philippines and the International Monetary Fund (IMF) have finalized an addendum to the so-called Letter of Intent [LOI] which, among others, promises to shore up government financial operations by cutting back on public spending and raising more money primarily through taxation.

To increase revenues, the Government will push tax bills increasing imposts on cigarettes and alcoholic beverages and introduce a new soft drink tax. To cut down on spending, it has ruled out any general wage increase this year and will limit the expansion of government workers to 1%.

The supplementary Memorandum on Economic Policy (MEP) for 1989-1992 also outlines the Government's

economic goals and plans which will form part of the new "bible" of President Aquino's new economic team.

The new policies and performance targets on the economy, finalized late last year, will also form part of the loan conditionalities on the IMF's support program and other lending programs to the Philippines such as the new loans from foreign commercial banks this year and the continuing support from the Paris Club of creditor governments.

Drafted using government projections and actual economic performance as of end-September last year, the document indicates that the Government will trade off a slower moving economy for a single digit inflation in 1990.

The call for austerity this year followed the threat posed by inflation on the gains obtained since 1986. The Government said the faster-than-programmed increase in domestic demand last year has pushed inflation up. "There has also been some deterioration in external competitiveness," according to the document.

Major factors contributing to the increase in domestic demand, according to the addendum, were administration policies which had called for a faster expansion in money supply, an average increase of about 40% in private sector minimum wages and a large price support for greater oil consumption.

The Government said it recognized that a continuation of recent trends in inflation, the external position and the stance of macroeconomic policies would not be compatible with medium term objectives—that of raising per capita income of Filipinos back to 1981 levels by 1991.

"In this light, important policy actions—involving revenue mobilization, expenditure curtailment, and adjustment of prices of petroleum products and the exchange rate—are being taken to ensure that the economy returns to the program path," according to the supplementary program.

The document financing said the country's external financing needs will be met in 1990 and, moreover, there will be a build up in the foreign reserve sufficient to meet at least three months worth of imports (roughly \$3.2 billion) by yearend.

For the period 1991-92, however, there is residual financial gap estimated at \$850 million. The addendum, which indicates that external debt and debt service would show a big improvement this year, said the financing gap starting next year "should be financeable from commercial sources" or from the international banking community.

In its domestic operations, the government intends to cut down its chronic budgetary deficit to only 2.9% of the Gross National Product (GNP). Last year's deficit run up to 4.4% of GNP owing to the rapid growth of current expenditure. The main reasons for the imbalance were

an unexpected large increase in civil service remuneration in mid-1989 because of the salary standardization program; high interest payments owing to a sharp rise in interest rates during the second semester; and, the large price support (Oil Price Stabilization Fund) for oil usage and below par internal cash generation of public non-financial firms.

To beef up government revenues, the following discretionary revenue measures have been submitted to Congress for approval; an increase in excise taxes on cigarettes and alcoholic beverages averaging 10 percentage points; a revenue enhancing restructuring of forestry charges; the introduction of a 10% excise tax on soft drinks, and an increase in the government's share in the Philippine Amusement and Gaming Corp. (Pagcor) income. The overall impact of these measures amounts to an estimated P6.5 billion.

The new program lists two more revenue measures: the monthly electricity tariff adjustment will be continued through June 1990; and, increased water charges of the Metropolitan Waterworks and Sewerage System (MWSS) starting January 1990.

"On the revenue side, the effort will continue to focus on improving tax administration, in particular with respect to income tax and the value added tax (VAT), but, if necessary, discretionary revenue measures, mainly adjustments in the VAT rate, will be implemented," the document showed.

An efficient auditing system covering separately the income tax (including withholding tax system) and the value added tax—which will target specific categories of taxpayers where evasion or avoidance is most prevalent—will be fully in place by April 30, 1990.

The privilege granted to government agencies and corporations to defer payments on import duties and taxes will be eliminated starting January 1990. The revenue yield for the administrative measures of the Bureau of Internal Revenue and the Bureau of Customs is projected to amount to about P3 billion this year alone.

Government expenditure policy, on the other hand, will be tightened significantly in 1990. There will be no general wage increase in 1990, according to the document.

Limiting increases in employment to education, health and main revenue-generating agencies will reduce the growth of the civil service from the programmed 4.9% to 1%. This will result in savings of about P2 billion.

"Other expenditures have been made subject to tight budgetary ceilings, with priority being given to essential maintenance and operating as well as infrastructural outlays," the supplement cited.

The main current expenditure control during 1991-92 will be a "a limit of 1% annual growth in the civil service; and, average wage increases will be limited to the rate of inflation plus 1% for merit increases."

The government has also provided for a budgetary transfer of P5 billion for the Oil Price Stabilization Fund (OPSF) to allow a partial settlement of arrears to oil companies.

The projected surplus of the OPSF following the recent average 30% price increase on Dec. 1 last year will be utilized to settle the remaining obligations by the third quarter of 1990. This action "has put the OPSF on a sound financial footing which will set the stage for the envisaged deregulation of oil prices later in the year," the supplement said.

In the meantime, according to the supplement to the LOI, domestic petroleum prices will be adjusted as necessary to reflect changes in the international prices of crude oil and the peso-dollar exchange rate.

Monetary policy, according to the document, will be geared towards lowering the rate of inflation while ensuring that the achievement of growth objectives will not be constrained.

During 1990, the principal open market policy instrument to influence monetary aggregates—or the amount and velocity of money circulating in the system—will continue to be the sale of Treasury bills, notes and bonds.

"In implementing monetary policy, a more steady path will be followed to avoid the sharp fluctuations experienced in 1989," the government promised the IMF.

There will be very little growth in money supply during the first three quarters with monetary expansion to be triggered only by the fourth quarter—an indication that government wants to pump-prime the economy only after inflation is cut to a single digit level.

The addendum said "the financial program for 1990 is expected to result in a gradual decline in interest rates as a result of both lower inflation and the reduced domestic financing needs of the public sector."

PHILIPPINE ADJUSTMENT PROGRAM, 1989-1990

1989	1990			
	Program- med	Estimated Actual	Original	Revised
(Annual Percentage Changes)				
Output and Prices				
-Real GNP	6.5	6	6.5	6
-Consumer Prices (end-period)	8	13	6.7	8
Money and Credit (end-period)				
-Broad Money	13.5	18	15	15
-Monetary Base	10	19	14	14
(In percent of GNP)				
Public Finance				

-Public Investment	4.2	4.0	4.7	4.9
-Nat'l Gov't Deficit	1.6	2.1	0.9	1.7
-Public Sector Borrowing Requirement	2.1	3.0	1.6	2.5
-Consolidated Public Sector Deficit	3.6	4.4	2.9	2.9
-External Current Account Deficit	2.2	3.6	2.5	3.0
-External Debt	66.7	65.7	61.2	63.4
-Debt Service (in percent of exports of goods and services)	33.8	30.8	32.2	28.5

1989 Domestic Liquidity Expands 28.9 Percent

HK0102050790 Manila BUSINESS STAR in English
1 Feb 90 p 2

[By Rica D. Delfinado]

[Text] The country's total domestic liquidity expanded substantially from year-ago levels last year despite intense government efforts to curb inflation by mopping off excess money from the economy.

Latest statistics from the Central Bank (CB) show total domestic liquidity standing at P235.6 billion as of November 1989, 28.9% more than P182.7 billion to which liquidity expanded the previous year.

The November 1989 figure was a peak in the consistent uptrend which total domestic liquidity—known technically as M3—had been following since the onset of last year.

Last year's liquidity movement was also on a much higher plane compared to that of 1988. Liquidity expanded within the range of P198 billion-P235 billion last year as against a range of only P160 billion-P182 billion in 1988, the CB figures further show.

All components of M3—money supply or M1, quasi-money composed of savings and time deposits and deposit substitutes—displayed notable expansions thus making for the overall substantial expansion in the year-to-year November levels.

For one, money supply—composed of currency in circulation and peso demand deposits coming from local government units, semi-government entities and private business, all of which account for 28.3% of total M3—stood at P66.7 billion in November last year. This figure was 27.8% more than the previous year's volume of P52.2 billion.

On a month-to-month basis, money supply expanded by only 6.45% from October 1989's P61.4 billion.

Quasi-money, meanwhile, reached P165.6 billion, a volume 29.9% more than November 1988's volume of P136.2 billion and 6.45% also bigger than October

1989's P155.6 billion. Quasi-money last year accounted for 70% of the total M3, the CB said.

The third M3 component—deposit substitutes consisting of credit instruments issued, endorsed and accepted for relending or purchasing receivables and other obligations—climbed up to P3.3 billion, 32.9% higher than the P2.5 billion level logged in the same period last year.

Report Breaks Down Foreign Equity Investments

HK0202052790 Manila BUSINESS WORLD
in English 2 Feb 90 pp 1, 6

[Report by Angelina Sy Tan]

[Text] The latest Central Bank [CB] figures on registered foreign equity investments showed infusions in 1989 totalled 4203.240 million, or an equivalent of P4.373 billion (computed by CB at p21.517 to a dollar).

As a rule, the CB records only actualized equity based on reports made by the investors themselves. Should the investor fail to register with the CB, he cannot legally repatriate the capital or earnings made from the investments.

BOI [Board of Investments]: \$4.19B

On the other hand, the Board of Investments, which merely computes the total project costs of foreign-approved investments, said foreign investments in 1989 reached a record high of P90 billion last year. Using the same foreign exchange rate as CB, this would amount to \$4.1827 billion.

BOI officials, however, claim the Board uses the same accounting formula which Thailand, Indonesia, and Malaysia use.

Judging from the apparent gestation period, approved BOI equity does not translate into actual cash until two to three years from the date of approval. Although there is no empirical date on gestation, the \$350 million Taiwanese petrochemical plant could serve as a test case. This was approved in 1987 and is still pending until now.

The Securities and Exchange Commission [SEC] adds up initial investments or 20% of the total subscription of newly registered foreign corporations to arrive at their yearend tally.

SEC: \$102.85M

Last year, the SEC said foreign investments reached P4.78 billion or \$102.85 million.

The disparity in figures is attributed to differences in parameters. To resolve the issue, Government through the assistance of the United Nations Development Program and the International Finance Corporation has made attempts to adopt a single definition.

While a CB official said their definition was "it," a member of an inter-agency committee tasked to come up with a common operational definition from the National Statistical Coordination Board claims otherwise.

Since the CB started keeping track of approved foreign investments in 1970, aggregate foreign-infused equity in the Philippines up to end-1989 has amounted to \$3.542 billion, of which \$3.105 billion was registered, representing an investment backlog of \$437.475 million.

Indicative Figure

A CB official said the 12.34% non-actualization rate is "really just an indicative figure. In fairness to Government, quite a number of foreign investors have infused equity into the country without bothering to register it with CB."

Some investors, he said, do not want to be bothered with paper work, especially if they do not intend to repatriate their earnings anyway.

Top Investors

In 1989, the United States was still "numero uno" with a registered total of \$68.8 million in direct equity investments; Japan came in second with \$51.9 million.

However, in terms of growth in investments, Taiwan was clearly the country's most aggressive foreign client. In 18 years (1970 to 1988), Taiwan's cumulative registered investments in the Philippines had amounted to only \$4.880 million.

But last year, the Taiwanese pumped a total of \$14.737 million into the local economy, equivalent to P313.263 million, or a 202% increase.

Tip of Iceberg

The registered figure on Taiwanese investment is, on closer scrutiny, just the tip of the iceberg.

To illustrate, the CB recorded number of P318 million is but a fraction of the P2.78 billion the Tan Yu group said Government for the Marina Properties. [sentence as published]

CB and BOI officials say few Taiwan businessmen course their equity through official channels. "They feel safer channelling it through their Chinese Filipino relatives," the sources said.

Although basically a latecomer in the Philippines' foreign equity ballgame, Taiwan, based on the CB data, already ranked fifth in 1989.

The third and fourth slots were held by the Netherlands and Hong Kong with \$16.885 million and \$15.760 million, respectively.

Among the country's foreign investors, the Dutch are unique. The Netherlands' aggregate approved application for investments from 1970-1989 amounted to \$141.982 million, but its registered or infused equity reached \$148.165 million.

"The Dutch," a CB source quipped, "prefers to put his wallet where his mouth is."

Deployment of Overseas Workers Dips 2.63 Percent

*HK0202065990 Manila BUSINESS STAR in English
2 Feb 90 p 2*

[From the "Indicator" column by Conrado M. Diaz Jr:
"OCW Deployment Dips 2.63 Percent"]

[Text] Compared to 1988, there were 2.63 percent less Filipino overseas contract workers (OCWs) who were able to land jobs last year, according to the Philippine Overseas Employment Administration (POEA).

Per the POEA's statistics, Filipino OCW deployment last year totaled 458,626, 12,404 less than 1988's 471,030. The decline was primarily because of a reduction in demand for land-based OCWs which offset brisk hiring—at 103,280 last year or 20.21 percent more than the 85,913 hired in 1988—in the sea-based sector, the POEA said.

In 1988, it was land-based OCWs who accounted for 81.8 percent, or 385,117 out of the total Filipino overseas deployment of 471,030 that year. In 1989, however, the number of land-based OCWs under active employment abroad, was reduced by 7.73 percent, a development which automatically translated into a reduction of the OCW sector's share to aggregate deployment. That year, land-based OCWs accounted for a lesser 77.5 percent or 355,346 share to aggregate deployment of 458,626.

There were declines, respectively, of 6.43 percent and 8.9 percent in new hires and rehires in the land-based sector last year. New hires went down to 170,433 from the previous year's 182,142 while the number of rehires dipped from 202,975 to 184,913.

Middle Eastern nations, which accounted for 68 percent of total OCW deployment in the land-based sector, absorbed 241,081 Filipino OCWs last year; most were rehires. This is 9.72% less than what was recorded in 1988—at 267,035. The decline was mainly attributable to policies regulating the inflow of expatriate workers so as to give more employment chances to resident workforces. Such policies were true particularly in the Kingdom of Saudi Arabia and Kuwait, two major host countries which are currently pursuing labor nationalization programs.

Another reason for the decrease in land-based hiring was the slowdown in overseas construction activities towards which foreign workers, especially the unskilled ones, gravitate. These workers have lately been the object of strict migration laws.

Thailand

Soviet Prime Minister To Arrive on Sunday

*BK0702005990 Bangkok BANGKOK POST in English
7 Feb 90 p 3*

[Text] Soviet Prime Minister Nikolay Ryzhkov will arrive in Bangkok on Sunday [11 February] morning for a two-day official visit.

Officials yesterday confirmed the Soviet Premier's plan to visit Bangkok, Singapore and Australia.

While here, the Soviet [prime] minister and his delegation will hold wide-ranging discussions on international and regional affairs including Eastern Europe and the Asia Pacific Economic Cooperation proposal, as well as Cambodia.

On Sunday afternoon, the Soviet Premier and his delegation, which will include Deputy Foreign Minister Igor Rogachev and two economic ministers, will visit the Thai-American Textile plant in Rangsit.

Later in the day, Mr Ryzhkov will attend an informal dinner on board the "Oriental Queen" to meet members of the Thai private sector.

On Monday Mr Ryzhkov will meet Prime Minister Chatchai Chunhawan at Government House, and then representatives of the two countries will hold separate meetings on political and economic issues, to be followed by a banquet hosted by Gen Chatchai.

A joint communique from the two premiers will be issued at the end of the visit and the Soviet Premier will leave Bangkok Monday evening.

Apart from politics, economic issues with both sides aiming to boost bilateral trade volumes will be prominent, as the Thai private sector is keen to establish trade contacts with the Soviet Union.

The Thai-Soviet trade volume is expected to reach 10,000 million baht in 1989, as the figure by October last year stood at 8,000 million baht.

The Cabinet yesterday approved three draft agreements which will be signed during Mr Ryzhkov's visit.

Under one of the three agreements, the Soviet and Thai governments would be obliged to lease a plot of one hectare in their two capitals for 30 years for each side's diplomatic missions.

The Cabinet also approved the setting up of a Thai-Soviet Joint Commission which would serve a similar function to that of the Thai-Chinese Joint Commission.

Scientific and cultural exchange programmes for 1990-1991 under another agreement will involve exchanges of cultural delegations, promotion of the film industry,

tourism, youth activities, news exchange between the Thai News and TASS News agencies and research on tropical diseases.

Soviet leader Mikhail Gorbachev's statement accepting a multi-party system for the Soviet Union will benefit both the country and the leader himself, Foreign Minister Sitthi Sawetsila said yesterday.

Premier Proceeds With Cabinet Reform Plan

BK0502023190 Bangkok THE NATION in English
5 Feb 90 p 4

[Text] Prime Minister Chatchai Chunhawan is pressing ahead with a plan to split up four major ministries. The proposal also calls for the eventual setting up of a "Police Bureau" but with the Police Special Branch and Crime Suppression Division placed under the Prime Minister's Office for the first time.

The proposed "Cabinet system reform" is being finalized in time for parliamentary approval in May, this year, according to a report in the *MANAGER WEEKLY* which published an exclusive interview with the premier yesterday.

Chatchai would not say whether he will propose amendments to the Constitution to increase the number of Cabinet members from the current ceiling of 45 in line with the proposed Cabinet reform.

"We have to see what the workload and work flow are like before deciding whether we need more Cabinet members. In other countries, they don't call them ministers. They are known as secretaries—a word which carries a rather different social status in this country," he said.

4 ministries to be split

The proposed reform will call for the regrouping of at least four major ministries—interior, industry, agriculture and communications.

The prime minister said the Transport and Communications Ministry, for example, will be split into two. The transportation side will cover land, air and sea transport while the other grouping will concentrate on communications activities.

"How can one minister take care of the bus service while also handling the satellite systems?" he asked.

"Telecommunications have become the key to national development. And we have to reorganize the ministry to fit in with this fast-changing, competitive world. If the financial market in Hong Kong wanted to move somewhere else, it would have to be Bangkok. And we have to have the necessary telecommunications infrastructure for that purpose," Gen Chatchai said.

He did not offer details of the reform for the three other ministries but sources said the interior ministry may

group labour and social welfare activities under one line of command while police work will be split into two groups.

The prime minister wants the Special Branch Division and Crime Suppression Division to come directly under the Prime Minister's Office to strike a proper balance of power to ensure proper law enforcement. In the longer-term, a "Police Bureau" is being contemplated to streamline the massive nationwide activities of police.

The Industry Ministry may, under the plan, lose all agencies related to energy which will come together under a new "Industrial Energy Ministry" to cover lignite, hydropower, natural gas and petroleum—all the power-generating resources.

The prime minister said the proposed Cabinet system reform will be submitted to Parliament when it reconvenes in May, this year. He said that if the plan was not approved, "we may have to quit." He did not elaborate.

The Cabinet restructuring plan, being worked out by Chatchai's advisory board and experts, is part of the prime minister's bigger plan to reform the bureaucracy.

Tha Chatchai project

Chatchai also said in the interview that he will not risk his premiership over the controversial hotel project at Tha Chatchai in Phuket.

The project, submitted by Swiss-based Inter Maritime, calls for the construction of a Bt [baht] 12.5 billion resort complex on 2,800 rai of land. Inter Maritime is owned by Bruce Rappaport, who is said to be Chatchai's long-time friend.

The project, which is opposed by environmentalists, is being studied by the Treasury Department which owns the beach, said to be one of the few remaining beaches in Phuket that are still unspoiled.

Chatchai said Rappaport was an honorary consul in Geneva and often tried to make friends with foreign dignitaries. "He is a very generous person who would take care of anyone passing through there," the premier said.

Chatchai said he has known Rappaport for a long time "having drunk and played golf together."

There have been charges that the prime minister is in favour of the hotel complex project.

But Chatchai said he has not decided whether the Swiss-based group should be awarded the project.

"I have never told the Finance Ministry whether it should award him the project. I felt very uneasy from the start because he has been my friend and has been doing business in Thailand," he said.

"I have nothing to do with Tha Chatchai project. Why should I risk my premiership over it?" he asked.

Asked to comment on the current political situation, Chatchai said he saw no prospect of early political changes despite the spate of controversies involving his government.

Chatchai also said that one of his government's top priorities is to crack down on "influential people."

He said these people were behind many blatant legal offences, including forest encroachments and operation of gambling dens.

Chatchai said he even wanted to become interior minister himself so that he could personally lead the fight against crime.

"There were times that I felt like wanting to fight them myself. I want to see the city safe for a child or a lady to walk alone," he said.

Premier Selects Aide Anan as Interior Secretary

BK0702011790 Bangkok THE NATION in English
7 Feb 90 pp 1, 2

[By Thammasak Lamaiphan and Phanni Nanthachala-konkit]

[Text] Premier Chatchai Chunhawan yesterday approved the transfer of his trusted aide, Cabinet Secretary General Anan Anantakun, to the Interior Ministry as permanent secretary, signalling the possibility of a snap general election in the near future.

The premier and Interior Minister Banhan Sinlapa-acha, also a Chat Thai Cabinet member, sought to downplay the move in which Interior Ministry Permanent Secretary Anek Sitthiprasat was moved across to the PM's [Prime Minister's] Office Minister, replacing Permanent Secretary Aphilat Osathanon, a relative of the premier, who was promoted to the key Cabinet secretary post.

The transfers will be effective from Feb 17 after His Majesty the King endorses them, Chatchai told reporters yesterday.

The move caught Democrat and Social Action ministers off-guard amid speculation that the premier was preparing to dissolve the House and call a snap election soon.

Democrat Deputy Interior Minister Trairong Suwannakhiri said the premier had signed the reshuffle orders proposed by Chat Thai's PM's Office Minister Bun-ua Prasetsuwan and Banhan and later informed the Cabinet of the appointments at their weekly session yesterday.

"The appointments were not discussed in the Cabinet as the premier had already approved the transfers under a mandate given him in a 1977 Cabinet resolution, which empowers him to act on behalf of the entire Cabinet," the Democrat said.

Government sources said that in yesterday's official note, Chat Thai PM's Office Minister Bun-ua Prasetsuwan proposed that Aphilat should replace Anan because the PM's Office permanent secretary had extensive connections with foreign dignitaries, a qualification required by a Cabinet secretary general.

Bun-ua also proposed that Aphilat should be replaced by Anek, while Anan should be made Interior Ministry permanent secretary.

In a coordinated move, Banhan sent the premier a written proposal suggesting that Anan should succeed Anek "because the latter had been moved to the PM's Office".

Trairong said Chatchai had decided some time ago to appoint Anan permanent secretary of the Interior Ministry, so the Cabinet secretary general would have been appointed in October after Anek retires.

"He would get it later anyway so maybe it's better for him to take up the position now so he will have more time to get acquainted with his new job," Trairong said.

Democrat sources said their party's ministers were stunned by the premier's announcement on the changes at the Cabinet meeting.

"We turned to one another and just did not know what to say," said one Democrat minister who asked not to be named.

Another Democrat said the party's ministers held a private meeting immediately after the Cabinet session and agreed that the political situation was unhealthy.

"Premier Chatchai was probably making preparations for a snap general election," one Democrat said.

Chatchai's swift move prompted the Democrat ministers to discuss whether the party should reconsider pulling out of the coalition government before it was too late.

The Democrats were also split over whether Democrat Agriculture Minister Maj Gen [Major General] Sanan Khachonprasat had cleared himself of the charges that he was involved with forest encroachments by Suan Kitti Reforestation Co Ltd when interviewed on the Sonthana Panha Banmuang TV talk show, broadcast on all TV channels last Sunday night.

Social Action leader Sitthi Sawetsila said he did not know of the appointments in advance.

"The appointments were not on the agenda and nobody debated it," the foreign minister said.

Social Action deputy leader Prayut Siriphanit told reporters he had not expected the move to come so soon.

"It's a sign of something in the offing and at least it's good for MPs [members of parliament] to have a warning (of an imminent snap election)," he said.

Chat Thai Industry Minister Praman Adireksan declined to make any comment, apparently miffed over the changes, coming only weeks after his own removal from the Interior Ministry.

Praman had chosen Anek as permanent secretary succeeding Phisan Mulasatsathon last October when he was interior minister in a compromise choice following a disagreement with Chatchai. Praman preferred Chalongsak Kalayanamit, then deputy permanent secretary, as Phisan's successor but Chatchai wanted Anan to take over the key post. As a result, the two brothers-in-law agreed that Anek would be appointed to the post as interim permanent secretary. Anek will retire in October this year.

Chatchai last month removed Praman from the Interior Ministry amid speculation that the Chat Thai chairman was rapidly building a following, posing a threat to the premier's leadership of the Chat Thai party. Banhan, who swapped his post with Praman, is said to be Chatchai's key supporter in the party.

Chatchai said yesterday the changes were solely based on personal suitability.

"Anek is going to retire while Anan has served as Cabinet secretary general for more than four years now and he should be moved back to the Interior Ministry where he had earlier served," Chatchai said.

He said he did not expect Anek to call it a day as a result of the transfer because the permanent secretary would retire very soon.

Anek and Aphilat should also be able to work together, he said.

"All Cabinet members agreed to the changes," Chatchai said.

The premier said he did not expect any resistance to the changes from bureaucrats of the Interior Ministry, which is dominated by graduates from Chulalongkorn University's Political Science Faculty. Anek and Chalongsak, now director general of the Local Administration Department, were among the Chulalongkorn University graduates while Anan graduated from Thammasat University's Political Science Faculty.

Banhan said the move was made to pre-empt anticipated jockeying for the key post at the Interior Ministry.

"He would get the post anyway and if appointed in August or September there would no doubt be negative rumours of jockeying for the position," Banhan said.

He said Anan was named well in advance to give him time to prepare for his new responsibility.

The minister dismissed as groundless speculation that the move signalled that a snap general election was not far off.

Developments Continue in Saudi Incident Reaction

Praphat Postpones Riyadh Trip

BK0702012590 Bangkok THE NATION in English
7 Feb 90 p 2

[Text] Deputy Foreign Minister Praphat Limpaphan yesterday abruptly postponed his scheduled visit to Saudi Arabia to today at Riyadh's request.

The Foreign Ministry said in a press release that the Saudi government asked for more time in making preparations to receive Praphat and his delegation. The request was made in a telex sent to the ministry, it said.

Praphat was originally scheduled to leave for Riyadh yesterday evening to attempt to remove the diplomatic strain between the two countries as a result of the killing of three Saudi consulate staffers in Bangkok last week.

Originally Praphat was to lead a small delegation on a "goodwill" visit to Riyadh but because of the seriousness of the situation more high-ranking officials joined the team and will be carrying with them a letter from Prime Minister Chatchai Chunhawan for the Saudi Arabian king.

The press release said as a result Riyadh asked for more time to make preparations to receive the bigger delegation.

The Foreign Ministry said Praphat agreed to Riyadh's request which he said would allow him an opportunity to present the Saudi government a report on the progress of the Thai police investigation into the murder case.

Praphat said yesterday that his delegation was given a mandate by the Cabinet yesterday to negotiate with the Saudi Arabian government on certain issues that are important to Thai-Saudi relations. He declined to elaborate.

The deputy foreign minister flatly denied there was a link between the shooting incident and the Saudi Embassy's decision to stop issuing visas for Thai workers going to Saudi Arabia.

He said the Foreign Ministry has not been informed officially by Saudi Arabia of the possible link.

"The suspension in issuing of visas could have been caused by a shortage of embassy personnel," he said.

Praphat also denied reports in Thai-language newspapers that his delegation will during the trip return a collection of jewellery stolen from a Saudi prince by a Thai worker last year.

Sitthi Requests Special Force

BK0702014190 Bangkok THE NATION in English
7 Feb 90 p 6

[Text] Foreign Minister Sitthi Sawetsila said yesterday he would ask the Interior Ministry to set up a special police task force to protect foreign diplomats following the killing of three Saudi Arabian embassy officials here last week.

ACM [Air Chief Marshal] Sitthi yesterday played down Saudi Arabia's threat to close down its Bangkok embassy, saying that the situation was not that serious. He added that Bangkok-based Saudi diplomats and their dependents were now satisfied with the police protection being given them.

The minister insisted that Thailand had strictly observed international agreements in providing protection for foreign diplomatic corps.

The proposed task force, if approved, would be made up of specially-trained police to guard diplomats and their dependents. No further details were given by the minister.

Sitthi said he believed police would be able to conclude their investigation into last week's murders soon but he declined to speculate on motives for the killings.

The foreign minister said he had received reports that many Thai workers in the Middle Eastern country were harassed following the murders of the Saudi diplomats in Bangkok.

Saudi Arabian Embassy's Second Secretary 'Abdallah 'Abd-al-Rahman al-Basri and two embassy staffers, Fahd 'Abdallah al-Bahli and Ahmad 'Abdallah al-Saif, were shot dead last Thursday [1 February] in two simultaneous attacks near their homes.

The Saudi government, reacting to what it called "inadequate protection" for its embassy officials here, imposed a ban on Thai workers seeking employment in the Middle Eastern country.

Police are still undetermined as to whether the assassinations were the result of disputes involving the recruitment of Thai workers or acts of international terrorism.

Meanwhile, Deputy Foreign Minister Praphat Limpaphan said yesterday he expected relations between Thailand and Saudi Arabia to stabilize after his visit to that country.

Praphat and some senior officials were scheduled to leave Bangkok yesterday for a four-day visit to the Arab kingdom, during which he will assure Saudi leaders that their diplomats would be better-protected and ask Saudi Arabia to lift its ban on Thai workers.

Interior Minister Banhan Sinlapa-acha said yesterday that police investigators are working around the clock to track down the murderers.

Editorials Criticize Decision

BK0602112790

[Editorial Report] Three Thai-language daily papers—SIAM RAT, MATICHON, and BAN MUANG—on 6 February carry editorials on the Saudi Arabian decision following the recent murders of Saudi Arabian Embassy officials in Bangkok.

The 500-word SIAM RAT editorial on page 8 entitled, "Barbarous Diplomacy," brands Saudi Arabia's plan to suspend recruitment of Thai workers to Saudi Arabia following the recent murders of three of its embassy officials in Bangkok as a barbarous and groundless act. "Such an incident can happen anywhere in the world. We must be given time to investigate the issue. We have not been inactive at all, but the Saudi Government has launched an offensive act barbarously on Thailand," the paper remarks.

"If the Saudi Government decides not to issue visas to Thai workers, close down its embassy, and recall its ambassador, then this would be a good opportunity for Thailand to cut its ties with such a barbarous nation. The Thai workers will no longer have to be slaves and will no longer be exploited by the Saudis," stresses the editorial.

"The Saudi Government should think twice about this decision. The Thai workers in Saudi Arabia will only help develop its country and teach them how to work," concluded the paper.

MATICHON's 800-word page 8 editorial entitled, "Gaining Nothing While Losing Everything," says that the Saudi decision to suspend the issuance of visas to Thai workers as a retaliatory measure to pressure Thailand into speeding up its investigation of the murders is not a constructive measure at all.

The paper points out that the crimes committed are not just ordinary ones, and that the situation is very complicated. The crimes may have been precipitated by the job placement business, by conflicts in the arrangements of a trip to attend the Haj ceremony in Saudi Arabia in which travelers reportedly have to pay a lot of "underground money," or even by an "international political conflict." All of these possibilities still must be thoroughly investigated.

"The decision to implement such retaliatory measures against Thai authorities passes on the responsibilities and difficulties to all the people of Thailand, particularly those workers who have nothing to do with the conflict," the paper added.

Saudi Arabia should quickly sort out its own problems so that no more murders occur on Thai soil with the result of Thais' having to suffer the consequences. In order to prevent any unwanted future incidents, Saudi Arabia should cooperate with Thailand in tackling the problem, concluded the paper.

The 700-word page 3 editorial in BAN MUANG entitled, "It's Not Thailand's Fault," notes that the Saudi suspension of visas for Thai workers has caused a lot of trouble for Thai workers. The Thai Government must work hard to prove to Saudi Arabia that Thailand is not neglecting the protection of life and property of Saudi Embassy officials and is trying its utmost to arrest the murderers.

The paper says that Thailand and Saudi Arabia have had good relations with each other for a long time and that many Thai workers have worked in Saudi Arabia. The business of placing workers in jobs in Saudi Arabia may lead to some illegitimate profiteering. "This may be a cause of the murders, and Thailand therefore should not be accused of not being able to provide Saudi officials with security," concludes the paper.

Report, Editorials Cover Port Union Strike

Government To Maintain Stand

BK0502021190 Bangkok THE NATION in English
5 Feb 90 p 1

[Text] Prime Minister Chatchai Chunhawan said yesterday the government would maintain its previous stand in negotiating with Port Authority of Thailand [PAT] labour unions over the plan to privatize Laem Chabang deep-sea port.

The government did not concede during PAT workers' four-day strike last week to the demand that the Communications Ministry scrap its plan to allow the private sector to operate two wharves at the port in Chon Buri.

Communications Minister Montri Phongphanit refused to negotiate with PAT union leaders after they reiterated that they would not call off the strike unless the government accepted their demand.

The premier said yesterday that the government would begin negotiations with PAT labour unionists either today or tomorrow over their demand for a PAT monopoly at Laem Chabang.

"The strike had ended and everything will be all right," he said.

PAT Director Phongsak Wongsamut said yesterday that the congested cargo loading services at the Bangkok Port are expected to be back to normal in seven days now that port workers are working around the clock after ending their strike.

The strike caused an estimated Bt [baht] 48 million in damage to the PAT, and losses of about Bt2.5 million to cargo distributors and Bt20 million to shipping companies.

Phongsak said 53 ships were stranded at the port during the Jan 30 to Feb 2 work stoppage, and 19 of them departed on Saturday loading cargo.

He said the PAT anticipated lawsuits from companies suffering the losses but compensation for damage was negotiable even without legal action.

Phongsak denied PAT involvement in the strike, saying that the incident was a conflict between the PAT workers and the government.

Editorial Questions Strike

BK0302050590 Bangkok THE NATION in English
3 Feb 90 p 8

[Editorial: "A Frightening Prospect"]

[Text] Leaders of the protesting dock workers agreed to end their four-day-old strike at Bangkok port last night after a five-hour meeting with Army chief General Chawalit Yongchaiyut. That was good news.

The union leaders will resume negotiations with the government on Monday [5 Feb], based on an early agreement of last September that the Laem Chabang deep-sea port will come under the jurisdiction of the Port Authority of Thailand upon completion of its construction in two years, and that no new separate body will be set up to operate the port, which will be Thailand's largest.

In effect, the army chief helped resolve that port crisis, at least temporarily, by promising the union leaders that the government would reconsider their demands, even though the government had earlier rejected them. Had the government abided by the September agreement, the union leaders wouldn't have organized the work stoppage—they called it "extraordinary meeting" of union members.

Now the dock workers are returning to work, leaving behind several billion baht of damage to the Thai businesses and their foreign trading counterparts. Ironically, the dock workers who took part in the strike, which General Chawalit also referred to as their "extraordinary meeting," during the past four days would be considered as having done their routine jobs promptly. None of them will be subjected to any disciplinary action or punishment.

It is unclear whether those who were drunk and danced their night away at the rally site in the Bangkok port will be entitled to any overtime payment. But we presume those who slashed their arms to shed patriotic blood to protest what they believed would be foreign domination at Laem Chabang will be entitled to free medical care since their injuries were sustained in the course of their "routine" work.

This nitty-gritty aside, there are several serious questions that the Chatchai administration must face. For example, why couldn't the government and the union leaders maintain a constructive dialogue. The Labour Department played a negligible role in this whole crisis. The PM's [prime minister's] policy advisers, particularly Kraisak Chunhawan, the premier's son who has close

connections with labour leaders, couldn't convince the union leaders to continue the negotiations and prevent the damaging strike. In fact, the union leaders refused to deal with these policy advisers after a few rounds of talks and sought, unsuccessfully, to meet with the premier himself.

Communication Minister Montri Phongphanit, whom the premier assigned to handle the negotiations, couldn't communicate with the union leaders either. That was why they turned for help from General Chawalit, who intervened in his capacity as director of the Capital Security Command, the peacekeeper of Bangkok.

General Chawalit did his job and deserved some credit for making the dock workers return to work and union leaders return to negotiating table.

But the question over who will operate the Laem Chabang port remains. The union leaders are adamant that no private operators will get a chance to run the port, unless it is the wish of the board of directors of the Port Authority of Thailand. The government, especially Premier Chatchai and Minister Montri, would like to let the private contractors operate the deep-sea port in part or in whole in the belief that this will ensure a high level of efficiency.

Efficiency, however, is not what the dockworkers and their union leaders pay much attention to, judging from persistent complaints of shipping firms that have to give bribes to stimulate the dockworkers to do their jobs properly. Yet the dockworkers want to prevent private contractors from entering the Laem Chabang port. Obviously they cannot stand competition from outsiders.

If they insist on keeping the deep-sea port to themselves, can they give any guarantee that they will be able to operate it at an acceptable level of competency? We are afraid not. By controlling the Laem Chabang port, they will have more bargaining power vis-a-vis the government. They will have no incentive to improve their performance because they face no direct competition and no one can force them to shape up.

This is a frightening prospect indeed. We hope Premier Chatchai and General Chawalit will be able to do something about it.

Editorials Speak Against Strike

BK0402092190

[Editorial Report] Two Thai-language dailies—THAI RAT and MATICHON—on 3 February carry editorials on the recent strike by Bangkok port workers.

The 400-word THAI RAT editorial, on page 3, entitled: "Image Will Continue To Tarnish," says "the strike is in fact a show of force to pressure the government to end its policy of encouraging competition for the right to manage the Laem Chabang seaport, thus gaining

monopoly on operation of all Thai ports. The strike has caused damage to the country and received very little support from the public."

The editorial opens: "Operation of all government seaports by a single agency must be avoided, because a strike could cause untold damage to the country. A strike by the port workers to demand sole management of the Sattahip port and the resultant problems are a lesson still fresh in the people's minds. The latest strike, therefore, received no support or sympathy from the people. If the port workers are confident that their experience makes them able to manage ports more efficiently than others, they should allow others to compete in management of parts of the port."

The 1,000-word MATICHON editorial, on page 8, entitled: "Port Strike—Interests of the Country and People Must Be Considered," says: "The government has resorted to negotiations on the port workers' demand for monopoly in management of Laem Chabang seaport by allowing the union of port workers to bid for the right to manage the port. But the government's offer has received no response from the strikers, leading to suspicion that political motives are involved in the strike." The editorial concludes: "Based on national and people's interests, any groups contemplating active support for the strikers must reasonably consider their actions. They must not feel that because they are fellow state enterprise workers they must show solidarity with the strikers. If the only reason for joining the strikers is to make a show of force, it could provoke the government to take drastic action to deal with the problem. Considering support people have shown for the government position to date, they will only applaud a drastic government action."

Vietnam

Secretary Said To Criticize Multiparty Advocates

OW0702051690 Tokyo NHK General Television
Network in Japanese 0300 GMT 7 Feb 90

[From the "NHK News" Program]

[Text] At a gathering in Hanoi on 4 February, one day before the plenum of the CPSU Central Committee, General Secretary Nguyen Van Linh of the Communist Party of Vietnam [CPV] strongly criticized a number of opportunists inside the CPV Central Committee Politburo who advocate a multiparty system. He stressed maintaining the one-party dictatorial system.

This is the first indication there are multiparty supporters in the CPV leadership. Discussions within the CPV, which has friendly relations with the CPSU, are bound to be a focus of attention from now on.

Foreign Ministry Spokesman on Soviet Changes

OW0702154890 Tokyo KYODO in English 1508 GMT
7 Feb 90

[Text] Hanoi, Feb. 7 KYODO—A Vietnamese Foreign Ministry spokesman Wednesday indirectly criticized the just-adopted basic policy of the Soviet Communist Party in which it will give up its dictatorship and open the way to a plural political party system.

The spokesman, replying in writing to KYODO news service on the Soviet party's new policy draft, said "the party has the right to choose its own way commensurate with the actual condition of the country and the people's interest."

The spokesman was apparently expressing the view that every communist party should decide for itself whether party dictatorship or a plural party system is most appropriate for its own country's conditions.

There are ongoing disputes on the introduction of political pluralism in Vietnam, but observers said the mainstream faction of the Vietnamese Communist Party seems to consider party dictatorship appropriate.

The Foreign Ministry spokesman also said, "the Soviet Communist Party won many great victories in guiding the people over a period of 70 years."

The spokesman added, "we believe that the Soviet party will accomplish the works of perestroika (restructuring) in order to realize more variations of socialism."

But some Western observers in Hanoi said the expression "more variations of socialism" amounts to virtual criticism of the new Soviet line.

Supreme Soviet Delegation To Make Visit

BK0602154090 Hanoi VNA in English 1501 GMT
6 Feb 90

[Text] Hanoi VNA February 6—A delegation of the Supreme Soviet of the USSR led by G.I. Usmanov, secretary of the Central Committee of the Communist Party and people's deputy of the Soviet Union, will pay an official friendship visit here in the near future at the invitation of the Vietnamese National Assembly, announces the Office of the National Assembly and the State Council of the Socialist Republic of Vietnam.

SRV Welcomes Visit by Japanese Diplomat

OW0702142390 Tokyo KYODO in English 1411 GMT
7 Feb 90

[Text] Hanoi, Feb. 7 KYODO—Vietnam's Foreign Ministry on Wednesday welcomed the upcoming visit by a Japanese diplomat to Kampuchea.

A Foreign Ministry statement said that the visit by Masaharu Kono, director of the Japanese Foreign Ministry's First Southeast Asia Division, corresponds to the

reality that Kampuchea is under the control of the government in Phnom Penh.

Kono, who is scheduled to arrive in Phnom Penh on February 15 via Ho Chi Minh City, will be the first Japanese official to make contact with officials of the Heng Samrin government. He will stay there through February 22.

Japan may be able to contribute to peace in Kampuchea if it takes a realistic stand, the statement said.

In opposing the Vietnamese-backed Heng Samrin government, Japan has supported the tripartite coalition government of Democratic Kampuchea.

Leaders Hold Gathering With Retired Cadres

BK0502161990 Hanoi Domestic Service in Vietnamese
1100 GMT 5 Feb 90

[Text] In a jubilant atmosphere created by the new spring and on the occasion of our party's 60th founding anniversary, yesterday, 4 February, Comrade General Secretary Nguyen Van Linh had a cordial gathering with some 300 veteran revolutionaries and retired high-ranking cadres in Hanoi.

The participants of the gathering represented a generation of typically outstanding party cadres who have participated in the various phases of the harsh struggle and who have greatly contributed to our people's revolutionary undertaking over the past more than half a century.

Also attending were Comrade Nguyen Duc Tam, Comrade Nguyen Thanh Binh, Comrade Dao Duy Tung, and other comrade members of the party Central Committee Political Bureau.

Speaking in a strong, warm voice on behalf of the Political Bureau and the party Central Committee, Comrade General Secretary Nguyen Van Linh extended his best and most intimate Tet greetings to the participants and to all retired cadres and party members in the capital.

One of the constant concerns of our party and state leaders, particularly our comrade general secretary, is the material and spiritual life of those who rendered meritorious services to the revolution. We must pay attention to their mature thinking and suggestions based on long, practical experiences. Over the past three years, Comrade Nguyen Van Linh has had many cordial meetings with retired cadres in Hanoi, Ho Chi Minh City, and other localities during his working visits there.

The early spring gathering took place in an atmosphere of joy and enthusiasm resulting from the initial changes for the betterment of the national socioeconomic situation, and the pride of communist fighters on the occasion of the party's 60th founding anniversary as well as their confidence in the bright prospects of the renovation undertaking.

The get-together lasted one and a half days, with half of that time reserved for veteran cadres to express their viewpoints on current developments and to make suggestions or recommendations to the party on how to resolve short-term and long-term problems.

All participants in the exchange of views praised the comrade general secretary's important speech at this meeting to mark the party's 60th founding anniversary, and expressed their unanimity of mind with the party Central Committee's evaluation of the party's great achievements in the past more than half a century, the party's principled stance in face of the complicated developments of the situation in many fraternal socialist countries, and the measures adopted by the party to improve the party leadership and party-building work in the new situation.

Expressing their concern for the latest developments of the situation in East Europe, the delegates pointed to the need to heighten vigilance in the face of imperialism's sabotage schemes against the world revolutionary movement in general and the revolutionary movement in our country in particular. It is necessary for the party to improve ideological indoctrination among party members and the masses and to accelerate party-building work, particularly to promote the movement to conduct criticism and self-criticism by all party members.

The participants in the exchange of views also contributed many ideas about the organization of party cadres in the new situation, and the need to intensify the movement against negative phenomena in the party, the administration, and the entire society. In this way, there will exist conditions for the party to remain always pure, firm, strong, and capable of fulfilling its mission.

The comrade general secretary praised the participants for their viewpoints, which were proof of the comrade veteran cadres' revolutionary zeal and their profound concern for the national situation and the revolutionary cause. The comrade said: Only irresponsible people can remain indifferent to the current situation.

Speaking for more than two hours on this occasion, the comrade touched on current developments of the world situation, and cited once again the party leadership committee's assessment of the political situation in the fraternal socialist countries as mentioned in the various documents already made public. According to the comrade general secretary, errors in economic development, slow improvement of socioeconomic management procedures, despotism, lack of democracy, violations against Marxist-Leninist principles by the parties and societies in these mentioned countries, and the imperialist forces' sabotage activities are the causes leading to this situation.

The comrade general secretary pointed out: The developments of the situation in the socialist countries are very complicated. We are far away and do not have timely, accurate information. Therefore, it is necessary to continue following the situation in order to have a

clear idea of what is going on. There should not be any confusion or vacillation. In particular, we should heighten our vigilance and stand ready to cope with the imperialist forces' multifaceted sabotage activities and dark schemes.

The imperialist forces have on one hand continued to intervene in regional conflicts, using their military strength to attack the revolutionary forces and the movements for national liberation, independence, and sovereignty in Central America, the Middle East, Africa, and Asia. On the other hand, they have waged war on the economic, cultural, and ideological fronts to undermine the socialist system worldwide.

Noteworthy is the fact that by taking advantage of the multifaceted difficulties facing these countries, the imperialist forces have helped the opposition factions and instigated the masses to conduct subversive activities from within.

The comrade general secretary stressed: In spite of the fact that the struggle will continue to be difficult, complicated, and time-consuming, it is our hope that genuine communists and people in those fraternal countries will work out correct solutions, overcome difficulties, rectify mistakes, safeguard their revolutionary gains, and restore the cherished values of socialism.

On the domestic situation, the comrade general secretary recalled the salient features of the Vietnamese revolution and the communist party's history-entrusted role of leadership over the revolution which has been tested in the past 60 years and won the people's confidence. By creatively applying the fundamental principles of Marxism-Leninism to the reality of our country, adopting correct strategies and tactics for each period, relying on the strength of the masses, and considering the people as the roots, the Communist Party of Vietnam—founded and forged by Uncle Ho—has led the nation's revolutionary cause to glorious victories.

He continued: To rectify past mistakes made by our party in socialist construction, the sixth party congress adopted the line of renovation, defining the correct orientations for development in the first stage of the transitional period of socialist construction in our country. The resolutions of subsequent party Central Committee plenums concretized this line of renovation, and they produced initial encouraging results. However, while concentrating efforts on solving economic problems and stabilizing the people's life, the party and state have not achieved much in bringing about improvements in public healthcare, education, building new men, and other social fields. On the other hand, there have arisen new issues that need to be tackled, among them is the management and development of the leading role of the state-run economy, the introduction of correct orientations for production and business activities of non-state economic components, and work in the financial, banking, and other fields. Other issues include the struggle against negative phenomena which now tend to

flourish especially in the economic domain, the display of right-leaning tendencies among our organs of law and their failure to truly and correctly exercise their function, and improper attention to ensuring social equity, especially in the field of distribution.

The comrade general secretary said that under the policy to increase self-criticism and criticism within the party, the Political Bureau will soon meet to review activities during the past three years of implementation of the sixth party congress resolution. Each Political Bureau member, from the general secretary down, will make a self-evaluation and through this, take stock of both successes and outstanding problems. The Political Bureau will study new problems that have arisen in reality and set forth the orientations for overcoming them. Also, it will discuss the draft political platform, socioeconomic strategies, preparatory work for the party Central Committee's eighth plenum, and personnel work for the seventh party congress with emphasis being placed on the capability and quality of cadres and on the harmonious combination of people with many years of experience and the infusion of the young and capable.

The comrade stressed that theoretical work must be intensified to suit the new situation and meet the requirements thereof. Nevertheless, he added, theories must stem first of all from the realities of the Vietnamese resolution and from the experience gained in the current renovation process of our party and people.

He said: Some time ago, I launched the campaign for things that must be done immediately. This campaign drew an enthusiastic response from the domestic press, resulting in the discovery and denunciation of many serious cases of negativism and thus winning the masses' approval. Numerous new, good models have now emerged in reality. Delving into reality, theorists and journalists should study, review, and broadly popularize such models so as to turn these sparks of light into a common sight throughout society.

The comrade general secretary also criticized some recent newspaper articles for introducing unbalanced viewpoints that are foreign to the fundamental maxims of Marxism-Leninism and to the stance of our party, and that run counter to the class stand of the communist party. It is necessary for the press to reflect divergent views of the masses, but regarding issues for which resolutions have been adopted, the principle of democratic centralism must be observed. All words and deeds must be based on resolutions and personal opinions given no publicity. The propagation of ideas about bourgeois freedom and views which tend to agitate the masses, laud capitalism, sing one-way praises, and cause misgivings among the public is prohibited.

The comrade stressed: Our party's principle is democratic centralism. During discussions, everyone is free to present his views. However, once a conclusion has been reached under the majority rule, the individual must

yield to the majority, and all party members at all levels must abide by party discipline.

He affirmed: Renovation is an all-around revolution. To succeed in this we must consolidate the party, renovate the party's leadership over the state and mass societies, intensify self-criticism and criticism, and instill revolutionary ideals in party members and the masses, especially the young generations.

In conclusion, he said: You are retirees in name only, for communist party members and revolutionaries know no retirement. With the experience gained through the long revolutionary struggle of our party and nation, you can still contribute much to the common cause in the period of renovation, especially in the education and drilling of the young generations in revolutionary ideals.

Editorial Marks Party's Coming Eighth Plenum

BK0602082990 Hanoi VNA in English 0628 GMT
6 Feb 90

[Text] Hanoi VNA Feb 6—The Hanoi press today published in full the programme for the coming eighth plenum of the Communist Party of Vietnam Central Committee under the title "Renovating and Intensifying the Mass Mobilization Work of the Party, Really Promoting the People's Right to Mastership."

On this occasion, the national daily NHAN DAN today editorially calls on the entire people to make as many suggestions to the party as possible.

The editorial says: "Together with the ideological and organizational work, mass mobilization has always been an important part in the party's leadership toward the revolution. This stems from the party's viewpoint that the revolution is the work of the people, that the people are the master of the country, and all power belongs to the people."

"The ties between the party and the people," the paper continues, "have become the blood-and-flesh ties, the source strength and an invaluable tradition of our party. If that strength and tradition are developed the party and revolution will be invincible. On the contrary, it is unavoidable that the party will be weakened and the revolution will suffer losses."

"To gather the opinions of the masses on the important questions related to the supreme interests of the nation, the interests and daily life of the people are a fine example which was already set by President Ho Chi Minh and which the party and state have tried to follow" the editorial stresses. It proposes that "the discussions of the programme at the provincial and city level, be attended also by non-party members, if necessary."

The editorial says that discussions at the grass roots will last until late February and that press and other mass media will widely reproduce the opinions of party cadres, and members as well as all segments of the population. It adds that NHAN DAN, central organ of

the party, offers to serve as a trustworthy forum for public debate on the program.

General Police Department Reviews Tasks in 1989

BK0302144890 Hanoi Domestic Service in Vietnamese 0500 GMT 2 Feb 90

[Text] The General People's Police Department recently held a conference to review and evaluate its tasks in 1989 and to arrange work for the entire people's police forces in 1990.

In 1989, with the efforts of various branches of the people's police forces and particularly through the 6-month implementation of Directive No. 135 of the chairman of the Council of Ministers, the people's police forces were able to serve as a firm mainstay and play a key role in creating an impetus for the masses to rise up to participate actively in the campaign against various types of crime as well as in activities related to state management in all localities throughout the country. Taking the lead in this campaign were the people of Ha Nam Ninh Province.

Thanks to their active role in the struggle to safeguard the economy, the people's police forces were able to reduce the number of criminal cases by 17 percent, discover 4,000 cases involving violations of socialist property, and recover goods and material wealth valued at more than 37 million dong.

Acting in close coordination with the court and control sectors, the people's police forces were also able to bring to trial more than 10,000 cases involving various types of crimes and advance a number of practical measures aimed at satisfactorily achieving all targets and tasks laid down in the resolution of the 45th national public security conference, while continuing to implement more effectively Directive No. 135 of the Council of Ministers to score achievements in honor of the major anniversaries in 1990, including the 45th founding anniversary of the people's public security forces on 19 August.

BBC Correspondent's Report on Tet in Hanoi

OW0602144790 Hanoi International Service in Mandarin 1200 GMT 31 Jan 90

[Text] Dear listeners: The British Broadcasting Corporation in London carried a report by its correspondent in Hanoi: "The First Prosperous Tet Festival in Hanoi." The contents of the report were as follows:

The first prosperous Tet Festival arrived in Hanoi. The supply of commodities and foodstuffs was much more abundant than before. Newly built houses could be seen everywhere. My Vietnamese friends often told me that supplies could reflect the overall situation. [words indistinct] They constantly offered invitations to me. For instance, they asked me to visit their homes as a guest and have a casual look at their families. The people were also full of new confidence in the future of their country.

My friends said: We have won the final victory after going through a very long period. We have now set a firm direction for Vietnam. [words indistinct]

I rode a bicycle through streets in Hanoi. All the people I saw along my way were visibly pleased with a smile on their faces. I could not help but think about the situation when I visited Hanoi eight years ago. I spent three days in Hanoi in dark December. The darkness [words indistinct] was reflected by the outlook of the city, the feelings of the city residents, and the cheap goods sold in dirty and dimly lit stores.

Great changes have taken place in their life. Things are much better. In my recent trip, I encountered a new problem. Many people asked me to visit their homes as their guest, but I could not satisfy all of them. I spent three consecutive days with my fields. I drank with my fiends and had a good time. This was the best I could do.

Comparison of Nguyen Van Linh Anniversary Speech

BK0502145090

Hanoi Domestic Service in Vietnamese at 1430 GMT on 2 February carries the 19-minute recorded "first part" of the speech delivered by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, at the meeting held at the Ba Dinh Conference Hall in Hanoi on 2 February to mark the CPV's 60th founding anniversary. Hanoi Domestic Service in Vietnamese at 2300 GMT the same day and at 0200 GMT, 0500 GMT, and 1100 GMT on 3 February carries the 12-minute recorded "continuation," the 15-minute recorded "continuation," and the 11-minute recorded "last part" respectively, of the speech. The radio version of all the four parts of Nguyen Van Linh's speech has been compared with and found to be identical to the VNA version published in the 5 February East Asia DAILY REPORT, pages 49-57, except for the following variations:

Page 49, column one, last paragraph (continuing on page 50), only sentence reads: In 1936, in face of the imminent danger of fascism and the Second World War and in response to new developments both in the country and in the world, the party decided to found the Indochinese Democratic Front aimed at the immediate goals of opposing the colonial reactionaries henchmen of fascism, demanding freedom, livelihood and peace, temporarily setting aside the overall goal of overthrowing imperialism and feudalism in general. (changing wording)

Page 50, column one, complete paragraph four, only sentence reads: This was the third dress rehearsal (1939-1945), directly preparing for the August Revolution to wrest back power in the whole country to the people before the allies entered the countries. (deleting words)

Page 50, column one, complete paragraph five, only sentence reads: When "the decisive hour for the destiny of the nation" struck, our people from north to south,

responding to the call of the party and Uncle Ho, rose up en masse in a nationwide general insurrection and in less than two weeks, liberated the entire country and established a people's democratic state, the first in Southeast Asia. (supplying additional material)

Page 50, column two, complete paragraph three, sentence two reads: Faced with such a situation, our party worked out the line of simultaneously carrying out the national democratic revolution in the south, achieving national reunification, defining the respective tasks and the close relationship between the great rear and great frontline. (deleting words)

Page 51, column one, paragraph two, sentence four reads: During almost 15 years of building socialism on a national scale, our people have gained some achievements. (deleting words)

Page 52, column two, second complete sentence reads: After 1930 many other parties came into being (such as the Vietnam Nationalist Party, the Vietnam Revolutionary Alliance, the Dai Viet Party...) but these parties have betrayed the interests of the nation and served as stooges to foreigners to help the latter subjugate our country. (clearing queried word)

Page 52, column two, last paragraph, second sentence reads: The question is whether this democracy is formal or genuine, whether it is democracy for a minority or for the majority of the people; mastering this simple truth is

of principled significance for us not to be taken in by the demagogic propaganda about bourgeois democracy, including pluralism. (supplying additional material)

Page 55, column two, first complete paragraph, last sentence reads: Regarding weak members, by all means, we have to resolutely educate them; if they fail to improve, action must be taken. (clearing editorial notation)

Page 55, column two, last paragraph, sentence three reads: For that purpose, they must strengthen their studies to have a better command of Marxist-Leninist theory, the line and policies of the party and the state, and improve their educational, technical and professional standard. (changing word)

Page 55, column two, last paragraph, sentence five reads: This is the best way to get rid of the habit of relying only on experiences and dogmatism which is now quite common among our cadres. (clearing queried word)

Page 56, column one, first partial paragraph, fifth complete sentence reads: There have even been cases where party members and cadres take the lead in mobilizing and deceiving some gullible people into fostering troubles during land disputes and opposing the administration. (changing word)

Page 57, first column, paragraph one concludes speech. (deleting last three paragraphs)

Papua New Guinea

Correspondent Reports on Situation in Bougainville

BK0702102590 Melbourne Overseas Service in English
0803 GMT 7 Feb 90

[From the program: "International Report"]

[Text] In Papua New Guinea, Bougainville Copper has taken another step toward the permanent closure of its big copper mine out of production since May last year due to attacks by militant landowners. Another soldier was reported killed on the island this morning. From Port Moresby, Rob Raskie reports that the company wants all its workers off the island, but with Air Niugini flights to Bougainville canceled for the second consecutive day there are concerns about how they will be evacuated.

[Begin recording] [Raskie] About two weeks ago, when it was becoming increasingly obvious that the mining town of Panguna was an unsafe place to be, Bougainville Copper employees were confused. On the one hand, Australian High Commission officials on the island were telling people that they should make their way down to the coast and get on the first flight off the island. But some workers said they have been told by Bougainville Copper management that the rush to leave Bougainville was unwarranted, that people were panicking unnecessarily, and that journalists were blowing the situation all out of proportion.

Today, Bougainville Copper in a note to all its shareholders said it wanted all its employees out of the North Solomons Province and that it would (?hand over) the task of keeping the mine (?in the state) of care and maintenance over to contractors. The statement continued that the situation had deteriorated with the militants becoming more active throughout the entire island.

Reporters on Bougainville have been filing stories to that effect for weeks. And despite BCO's [expansion unknown] accusations that journalists, foreign correspondents in particular, were behind the unnecessary panic of its workers, the BCO statement says what has been common knowledge now for some time. They (?conclude) that the Island of Bougainville, apart from the city centers of Arawa and Kieta, are in the hands of the Bougainville Revolutionary Army.

Plantations throughout the islands have been (?frequently) attacked, government buildings are either in ruins or have the red rebel flags flying from the roof and some eyewitnesses have even reported the rebels are mounting mobile roadblocks up and down the road from the mining port of (Woloho) to the northern island of Buka. BCO's decision to revert its plan to leave the care and maintenance of the mine in the hands of the corps of 300 workers is a significant one. The company now concedes that the island is unsafe for its workers and it is now accelerating the rate of retrenchments.

While BCO says a small group of its management will stay in Papua New Guinea in a province remote from the fighting, it is doubtful if their stated task of having the resumption of operations at Panguna as soon as it is safe to do so will ever be carried out.

With the Namaliu government's adoption of hard-line military solution to the crisis, the resulting increase in militant support in the numbers of Bougainvillian fighting men, things on the island are unlikely to be safe for a long time.

The task of getting Australians off Bougainville is also proving a real problem. The Australian High Commission this week said it was confident that most of the 500 to 600 Australians on the island would leave during this week. But Air Niugini flights have been canceled for the second consecutive day with no indication that things will change.

The operational comptroller of the state of emergency on Bougainville, Colonel (Leo Nuyar), has stopped all security clearances for flights out of Kieta and no evacuation by normal commercial means can go ahead until that order is lifted. At least six commercial flights there have been stopped, meaning opportunities for the evacuation of 300 people have been missed.

The towns of Arawa and Kieta, where Australians and many Papua New Guineans from provinces outside Bougainville, who are the most at risk of attacks by militants who consider them racially inferior, are safe [sentence as heard].

The Australian High Commission says it is very concerned about the withdrawal of Air Niugini flights and says it has been negotiating with the government and an airline on a daily basis in an effort to get the evacuations going. A spokesman also said he was hopeful flights would resume tomorrow. If they do not, though, the pressure for the involvement of the Australian Air Force will increase. [end recording]

Bougainville Flights Stop; Australians Stranded

BK0702052490 Melbourne Overseas Service in English
0500 GMT 7 Feb 90

[Text] Reports from Papua New Guinea say Air New Guinea flights to and from strife-torn Bougainville Island remain suspended because the military cannot guarantee their security. A Radio Australia correspondent in Port Moresby, Rob Raskie, says evacuation plans for hundreds of Australians and thousands of Papua New Guineans from the island are now on hold.

The Australian high commissioner estimates that about 600 Australians are still waiting to leave Bougainville on Air New Guinea flights, but he is confident they will be able to be evacuated this week.

Raskie says that thousands of Papua New Guineans from other provinces who are at the greatest risk of attack are also unable to leave.